Daily Report

Latin America

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FBIS-LAT-92-010 *15 January 1992*

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Cuba

Malmierca To Attend Salvadoran Accord Signing

FL1401130092 Havana Radio Progreso Network in Spanish 1100 GMT 14 Jan 92

[Text] On Thursday, 16 January, Cuban Foreign Minister Isidoro Malmierca will attend the signing of the peace accord between the Salvadoran rebels and the government which will take place at the Chapultepec Castle in Mexico City. Miguel Saenz, member of the Political-Administrative Commission of the Salvadoran insurgency, characterized Malmierca's presence as a healthy contribution. Saenz pointed out that Cuba has given solidarity medical attention to 300 disabled veterans, and as a member of the UN Security Council, made important contributions to peace negotiations in El Salvador.

Malmierca Willing To Talk

PA1401222492 Mexico City NOTIMEX in Spanish 2119 GMT 14 Jan 92

[Text] Mexico City, 14 Jan (NOTIMEX)—Upon his arrival on 14 January in Mexico, Cuban Foreign Minister Isidoro Malmierca said the Cuban Government would talk to the United States if the opportunity arises because "we are open to contact with any country."

The Cuban official was invited to attend the signing of the final peace agreement between the Salvadoran Government and guerrillas in Mexico City on 16 January.

Regarding press reports that Malmierca might meet with U.S. Secretary of State James Baker, who will also attend the meeting, the Cuban foreign minister said the meeting is not on his agenda.

Malmierca said, however, that "we are open to contact with any country and if we have the opportunity to speak with the United States, we will do so."

Malmierca considers it an honor for Cuba to have been invited to the "start of a new stage for the Salvadoran people."

The Cuban foreign minister recognized the outstanding work of former UN Secretary General Javier Perez de Cuellar and his representative, Alvaro De Soto, in the Salvadoran peace process.

Malmierca also said the work by the Mexican Government was fundamental to reaching peace in El Salvador. Mexico allowed numerous meetings to take place in its territory between the Salvadoran sides and its people gave their solidarity.

On another subject, Malmierca referred to the death sentence to three Cuban "counterrevolutionaries," who arrived in Cuba from Miami in the early hours of 9 January and killed three militiamen.

The Cuban foreign minister said the death sentence is adequate for those who betrayed his country's revolution.

'Remote' Possibilities Seen

PA1501035192 Havana Radio Havana Cuba in Spanish 1400 GMT 14 Jan 92

[Roberto Morejon commentary]

[Text] In Havana, Robert McNamara, the former U.S. Secretary of Defense, called for the United States and Cuba to discuss their differences through diplomatic channels. This opinion, however, will have little impact in his country amid the exhilaration of that society's triumphant attitude.

McNamara, who served under President John Kennedy, participated in an academic meeting in Havana, between the United States, Cuba, and the former USSR, to study the causes, development, and solution to the 1962 Caribbean crisis. Despite the differing opinions among representative of the three sides, the idea that the world must not be led into another crisis such as the one in October 1962, dominated the conference. That is why the quest for understanding must prevail.

This possibility is very remote in the Caribbean due to the belligerent attitude of U.S. Administrations against Cuba. They have erased from their vocabularies vital ideas such as dialogue, discussion on an equal level, respect for foreign sovereignty, and the definite acquiesce of the use of force. This is true now, when the Cold War is over, and despite the fact that Havana responded to Moscow is a fallacy, and thus was an enemy of the colossus from the North, has fallen to pieces.

Cuba's refusal to belong to the hegemonic sphere of the United States has cost Cuba 33 years of aggression, which has increased due to the belief that Cuba should imitate the political deterioration of East Europe.

The recent arrival to the Cuban coast of a group of terrorists from the United States, who intended to perpetrate acts of sabotage and other crimes, highlights Washington's intentions to reactivate its old plans to promote violence.

This claim is supported by reports on the collection of signatures in favor of an armed action against Cuba. The White House is intensifying its economic blockade and making up new excuses to avoid holding any talks with its Caribbean neighbor, because it is also demanding that Cuba adopt a market economy and a multiparty political system.

A majority of Cubans oppose this possibility, but the United States is turning a deaf ear to this, because the criteria that prevails in the end is that any normalization of links between the two countries must come after Cuba ceases to be what it currently is.

U.S. Denial of Terrorist Involvement Contradicted

FL1401192792 Havana Radio Progreso Network in Spanish 1800 GMT 14 Jan 92

[Text] In spite of the fact that U.S. Government spokespersons have said that training for attacks on Cuba does not take place in the United States, counterrevolutionary paramilitary organizations of Cuban origin openly conduct their terrorist and military training in southern Florida. A report by the NOTIMEX news agency datelined in Miami states that more than 50 terrorist counterrevolutionaries dressed in camouflage uniforms and armed with rifles, pistols, and knives continue their training in that city with simulated invasions of Cuba.

Likewise, several exile organizations also based in Miami have claimed that the three terrorists captured near Cardenas and sentenced to death by a Cuban court were members of their organizations. In this regard, the paramilitary group Alpha-66 has stated that it has training camps in Miami which the U.S. authorities know about.

Moreover, the Brazilian magazine MANCHETE has published a full-color, two-page photograph of the training and preparation of counterrevolutionary troops in the Everglades area, which is evidence that these military preparations are conducted with impunity.

Havana Notes CIA Deputy Director Resignation

FL1501005492 Havana Radio Reloj Network in Spanish 0036 GMT 15 Jan 92

[Text] The White House announced today [14 January] the resignation of Richard Kerr as deputy director of the U.S. Central Intelligence Agency. In a communique, the President indicated that Kerr would leave the main U.S. secret service organization after 32 years of service. He spent two years as deputy director, considered the second most important post in the CIA.

TANA Condemns Murders, Supports Government

FL1401235292 Havana Radio Reloj Network in Spanish 2042 GMT 14 Jan 92

[Text] The presidency of the International Anti-Imperialist Tribunal of Our America [TANA], on behalf of all its chapters, has emphatically stated it censures and condemns the murder of the three Interior Ministry combatants in Tarara. They also expressed indignation over the infiltration of the terrorist group, trained in Miami and tolerated by the U.S. Government.

The TANA message expressed solidarity with the Cuban Government and people and their commitment to make these imperialists acts known to the whole world through their chapters. The message continued by saying that Cuba is not alone. It concluded by saying that the general consensus of the people shows that it is an unavoidable duty of Our America to defend it to the end.

Rights Group Pleads for Men Sentenced to Death

FL1401131692 Bonaire Trans World Radio in English 1130 GMT 14 Jan 92

[Text] The London-based human rights group, Amnesty International, has asked clemency for three Cuban Americans sentenced to death for terrorism. The three men were sentenced to execution by firing squad in Havana Saturday after a failed attempt last December to infiltrate the island and overthrow the Castro government. Amnesty International says the organization says the organization usually takes on cases of non-violent dissidence, but these three Miami men need the group's support, they say. Amnesty also says it has intervened on behalf of other Cubans who were arrested by the Castro government.

Belarussian Vice President on Future Relations

FL1501031192 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Jan 92

["Excerpt" of an interview with Vasiliy Shaladonov, vice president of the Supreme Soviet of Belarus, by unidentified correspondent; place and date not given—recorded]

[Excerpt] [Passage omitted] [Shaladonov] I would like to tell you that the Belarussian people feel a great deal of sympathy for Cuba. When I was still a child I admired the revolution and Fidel Castro and I loved him as a brother. I think that the new community will help to improve relations because everything used to go through Moscow before but now talks are direct.

Not long ago a Cuban delegation visited Belarus. We are very grateful to the Cuban people and their leaders for welcoming our sick children as a result of the Chernobyl catastrophe. The people who have visited Cuba speak with great sympathy for Cuba. I am sure that our relations will develop even more. This is not a prediction but a wish of Belarussians.

Commentary on Three Captured 'Potential Criminals'

PA1401134692 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Jan 92

[Roberto Morejon commentary]

[Text] The evidence showing that the three Cuban-born terrorists, recently captured on Cuba's northern coastline, were plotting to sabotage public places, stands as convincing argument to repudiate these potential criminals and to apply on them the full force of the law.

Eduardo Diaz, Daniel Santovenia, and Pedro de la Caridad Alvarez are members of the so-called Liberation Command Units being trained on the outskirts of Miami in sabotage techniques and other criminal actions.

The accused were justly tried in Havana on charges of sabotage, terrorism, illegal propaganda, and illegal entry. According to their testimony, they planned to sow chaos in public places throughout Cuba by setting off explosive

devices. Daniel Santovenia served a two-year sentence in the United States on battery charges and Pedro de la Caridad Alvarez admitted during hearings that he is a drug addict.

At this point in the investigation, it would be difficult to find anyone defending the accused. Public condemnation has been unanimous in Cuba and the people are demanding an illustrative punishment. U.S. organizations, however, are trying to play down the terrorists' plans and their contempt for their compatriots' lives. That is the case of the so-called Human Rights in Cuba group, based in Miami, whose members issued a communique requesting favor for the accused.

Certain groups who describe themselves as defenders of human rights are unilaterally interpreting such rights and are actually spearheading anti-Communist and anti-progressive currents. These groups exist at Cuba's expense. They have turned the Caribbean island into the target of unfounded fallacies and manipulations, ignoring the rigorous respect for human integrity and spirituality enjoyed in Cuba.

In trying to portray the three individuals infiltrated from the United States as alleged victims, organizations of this sort are being unmasked before the people, who would never request clemency for potential criminals.

Havana Province Tests Unified Vigilance System

FL1501025392 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Jan 92

[Text] The 139th Torch Exercise, used to test the unified vigilance and protection system, began in Havana Province today. The beginning of this demonstration was headed by Division General Leopoldo Cintras Frias, member of the Politburo and head of the Western Army, and by Victorino Lemus, first secretary of the party in the province and member of the Central Committee.

At the Ministry of the Interior directorate center [word indistinct] took place, whith the purpose of promoting the Unified Vigilance and Protection System in the province, test its performance, and, based on the experience obtained, adopt measures to perfect it.

Gas Distribution, Production Problems Announced

FL1501034792 Havana Radio Reloj Network in Spanish 0025 GMT 15 Jan 92

[Text] The Manufactured Gas Enterprise of Havana has made a radio announcement to the population that the distribution of this fuel will be affected in certain areas of the capital. This is due to production problems and electric outages at Plant No. 2 in Marianao Municipality. They are working intensely to restore this important service.

The enterprise has also announced that this service will be affected during the night. Service will be gradually restored in the early hours of tomorrow, Wednesday, in different areas of the capital.

This information was given to Radio Reloj by Caridad Tackle, commercial co-director of the Manufactured Gas Enterprise of Havana. Tackle said they are working hard to restore this vital fuel to the populace.

Solid Fuel Alternatives Replace Gas Oil

FL1401221492 Havana Radio Reloj Network in Spanish 2045 GMT 14 Jan 92

[Text] The Ministry of Sugar and construction and agriculture organizations have begun using new ovens that use solid fuels. The oven won an award at the Sixth National Forum of Spare Parts, Equipment and Advanced Technology.

The ovens use as fuel any low energy density solid material such as firewood, coffee bran, hay and cane briquettes, bagasse, waste paper, sawdust, and even dry seeds.

Jose Perez Garcia, a civil construction technician from the Luis Turcio Salima enterprise in Santa Clara, invented the oven. It was recommend by the Provincial Energy Commission of the People's Government as a fuel substitute for gas oil in more than 400 cafeterias. The blueprints and measurements were distributed throughout the country and all the provinces have begun building them.

Inter-Caribbean Affairs

Perez Cites Commmunications as Key Trade Element

FL1401164892 Bridgetown CANA in English 1531 GMT 14 Jan 92

[Text] Port of Spain, Trinidad, Jan 14, CANA—Venezuelan President Carlos Andres Perez has identified communications as a key element to increasing and strengthening trade between Venezuela and Caribbean Community (Caricom) countries. Perez, in a message to Trincom '92, a conference on Caribbean media and communications being held here, said establishing stable routes for air and land transportation, and direct communications were essential conditions for the promotion of exchanges.

"Increasing costs, however, of necessary investments for the creation of transportation and communication infrastructure are forcing us to turn to co-operation in order to multiply limited resources generated by our yet weak economies, and thus achieving the tasks of modernisation without imposing further suffering to our people," said Perez, whose message was delivered by State Minister Andres Eloy Blanco. The Venezuelan leader, who has been working to deepen ties between his South American nation and the countries of Caricom, last year proposed an initial one-way free trade arrangement for Caricom goods.

"....The time has come to work together in order to avoid postponing any longer the expectations of new generations hoping to enjoy the benefits of trade...," he said. In

anticipation of an increase in commercial contacts with Caricom, Venezuela is upgrading its telecommunications systems to facilitate improved access for Caribbean nations to Latin American telephone networks.

Haiti

Report on National Assembly Opening Session

FL1401184492 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 14 Jan 92

[Report on ceremony at the Legislative Palace in Port-au-Prince on 13 January]

[Excerpts] [Announcer] As announced a few moments ago, the Haitian parliament opened their first session of 1992 on Monday, 13 January. During this session, Senator Dejean Belizaire, president of the National Assembly, presented an assessment of parliament's work over the past three months. Provisional President Joseph Nerette also spoke, saying that his mission is to keep the state running smoothly and to enforce the Constitution. On the same occasion, Prime Minister Jean-Jacques Honorat presented to parliament his assessment of the government's achievements during the past three months. Following is a report by our colleague Jean-Marie Elina.

[Begin recording] [Elina] The first annual session of the Haitian parliament began yesterday, 13 January, at the Legislative Palace located in Bicentenaire. The ceremony opened with a speech by Senator Dejean Belizaire, president of the National Assembly, in the presence of the Haitian Armed Forces' high general staff and some political leaders. After a period of silence in memory of Deputy Astrel Charles, who died on 15 December 1991, the Senate president assessed the legislative chamber's work over the past three months.

According to the Senate president, this assessment is based on negotiations conducted between the parliament and the OAS as of 5 October 1991. According to Senator Belizaire, no decisions have been reached to date. No conditions beneficial to everyone have been completely discussed; certainly no agreements have been signed. [passage omitted]

In the speech he gave on that occasion, Provisional President Joseph Nerette said his mission is to fulfill the function of president of the Republic while enforcing its Constitution; safeguarding the stability of the institutions; and ensuring that the state continues to run smoothly. The provisional president spoke of an electoral council that should organize elections, but noted that hard times are not allowing them to honor this obligation. Lawyer Nerette added that foreigners must be made to understand that a solution toward a lasting peace in Haiti and the safeguarding of democracy cannot be found outside the 1987 Constitution. [passage omitted]

Joseph Nerette was accompanied by Prime Minister Jean-Jacques Honorat, who was invited to parliament to present his assessment of his government's achievements during the three months it managed the country. According to Honorat, his government accomplished in less than three months what the previous government should have but did not accomplish in seven months. The law on territorial communities has already been voted on, the machinery for the formation of communal section and other assemblies has been set in motion, and delegates and vice delegates have already been appointed throughout the country. During these months, the prime minister said, citizens have been free to express their opinion, and nobody has been persecuted for his or her political positions.

[Honorat] We have restored the prestige and authority of the judicial institution. Others had seven months to set up all democratic institutions provided for in the 1987 Constitution so all Haitian citizens could participate in the country's government and sit at the table where decisions about the country's business were being made. These institutions, however, were not established. In less than three months we have begun to establish all of these institutions. The law on territorial communities has finally been voted on. The machinery for the formation of the communal section assemblies, the municipal assemblies, and the departmental assemblies is about to roll. Delegates and vice delegates have been appointed all over the country. None of these appointments were based on political considerations or friendship. Only the competency and suitability of the candidates were taken into account.

It is these people who will allow for the decentralization of the state machine in compliance with the country's Constitution. We remind each of them to guard against the development of small caciques, such as those established by prefects and section chiefs in the past.

Economically, it is true that the embargo has hit us, but the catastrophe hoped for by our political enemies has not occured. All state employees have been paid. They even received bonuses during the month of December. The previous government closed the auditing court so they could misuse state money. We restored the auditing court in conjunction with the Senate as required by the Constitution so order can be returned to public administration. It is because of this order that we have sustained the country's economy for these three months. Thank God, we have not failed—contrary to what they expected. We have respected everybody's freedom of expression, their right to speak freely. We have arrested no one; we have persecuted no one for his political opinions. On the contrary, we have even freed people who had been caught designing blatant maneuvers to disrupt public order. We do not believe that accusing people of plots against state security or torturing and imposing suffering on women through electric shock can help establish peace in the country.

[Elina] As soon as the prime minister finished his speech, the president of the Assembly ended the ceremony because, according to what was said at the beginning of the ceremony, discussion of the prime minister's assessment will take place on another occasion. [end recording]

[Announcer] On the occasion of the opening of the third session of the National Assembly, Provisional President Joseph Nerette announced that he would remain in power until after the election and until a new president was installed. He further stated that all negotiated solutions must be sought within the framework of the Constitution. If solutions are not found in the fundamental law of the country, they are doomed to failure.

The provisional president also accused the OAS of having decided under false pretenses to impose an embargo on Haiti. This embargo has almost killed the entire Haitian population, according to Nerette.

Meanwhile, many people were demonstrating in front of the Legislative Palace. Senator Dejean Belizaire, president of the National Assembly, asked the parliamentarians to reach a decision soon so he can see how they will solve this crisis under Article 149 of the Constitution that allowed a provisional president to be appointed last October as there was a presidential vacuum.

Belizaire, who announced that he would stay in his post until the crisis is resolved, deplored that until now no important document has been signed within the scope of the negotiations between parliament and ousted President Father Jean-Bertrand Aristide, with the mediation of the OAS. The parliament should reach a decision in the next few days about a new consensus prime minister, moderate communist Rene Theodore, who Father Aristide had proposed... [pauses] ...rather that the parliament president had proposed, and the deposed president, Father Jean-Bertrand Aristide, accepted as the first step toward a solution to the Haitian crisis.

Prime Minister-Designate Holds News Conference

FL1401220192 Port-au-Prince Radio Metropole in French 1700 GMT 14 Jan 92

[Report on news conference by Rene Theodore, leader of the Unified Party of Haitian Communists and prime minister-designate, by reporter Rotchil in Port-au-Prince on 14 January; italicized passages in Creole]

[Excerpts] Rene Theodore, leader of the Unified Party of Haitian Communists, designated as the consensus prime minister by the parties involved in the negotiations on the Haitian crisis, has accepted the nomination. This nomination must soon be submitted to parliament for ratification. Theodore met with the press this morning. Here is a report by Rotchil.

[Begin recording] [Rotchil] Good afternoon. It is now official. Communist leader Rene Theodore announced that he has accepted ousted President Jean-Bertrand Aristide's proposal to lead the next government if parliament ratifies this decision. Rene Theodore informed us that he had a telephone conversation this morning with overthrown President Aristide, who has chosen him as his next head of government. Rene Theodore advocated in a news conference the formation of a straightforward national consensus government to save the country from the crisis. Theodore announced that he has already contacted political sectors on the formation of this government, which will essentially be based on competency. According to Rene Theodore, this government will stem from the numerous parties represented within the Haitian parliament. He added: I will be the prime minister of all Haitians. Theodore thinks that with all the concerned sectors, including the private sector, the possibility to recommence exists. Theodore asserted: I will not lead a government without the lifting of the embargo. Theodore added that if parliament approves him as prime minister, he will request emergency aid from the international community to make amends for damages caused by the embargo.

[Theodore] *When I refer to the type of government that can get us out of the crisis, I mean a national consensus, a coalition government for a national rescue that must rely on all the skills and goodwill available in Haiti.* [passage omitted]

[Rotchil] On the economy, Rene Theodore stated that the development of the country should be based on modern capitalism with a modern administration.

Asked about the return of Aristide, Rene Theodore, the candidate for the post of prime minister—assuming parliament accepts this plan—answered that, according to him, the process of strengthening institutions to produce calm is being initiated. Theodore (?clearly) said there must be confidence among all sectors so this goal can be reached.

[Theodore] *If we do not attain a climate of calm and readjustment to effectively allow Father Jean-Bertrand Aristide to return, his return may be impossible. On that count, we think it is not easy or possible for anyone to set a precise agenda on the question of return. It is a process. It is a process of restoration of all means and all.... [pauses] It is a process of institutional reinforcement. It is a process of creating harmony that would allow us to evaluate the time when this return is possible without catastrophe. If there is someone who can give a deadline on this question, I will say he is a great soothsayer and deserves the post of prime minister.*

[Rotchil] Those were Rene Theodore's statements at this morning's news conference. Communist leader Rene Theodore said it is now up to parliament to decide if it will approve him as head of the government. [end recording]

Hard-Line Aristide Opponents Call for Elections

FL1401133392 Bonaire Trans World Radio in English 1130 GMT 14 Jan 92

[Text] Haitian authorities have appeared to backtrack on agreements with the Organization of American States designed to lead to the return of democracy. Senate President Dejean Belizaire says the Haitian parliament did not sign any serious documents with the OAS regarding the return of deposed President Jean-Bertrand Aristide. At the Haitian parliament on Monday, hard-line Aristide opponents urged lawmakers to call new elections to replace him. Earlier statements by OAS officials and Haitian leaders gave the impression that an agreement was in process designed to restore constitutional government following the September 30 coup. Mr. Aristide has been in exile in Caracas ever since that coup.

Deputies Seeks Solution to Crisis in Article 149

FL1401222992 Port-au-Prince Radio Metropole in French 1145 GMT 14 Jan 92

[Text] A group of 20 deputies wrote to the president of the lower chamber to demand a solution to the Haitian crisis. This solution should be derived from Article 149.

Members of the 45th National Assembly, partisans of a constitutional solution to solve the Haitian crisis, addressed a letter to the president of the lower chamber. In this letter, 20 deputies clearly expressed their views on the situation. Those signing the letter wrote that any solution to solve the current crisis must be inspired by Article 149 of the Constitution. Josue Lafrance and Deus Jean-Francois are among the deputies who signed this letter.

Correction to Thousands Die Due to OAS Embargo

WA1501135892

The following correction pertains to the item headlined "Monks Report Thousands Die Due to OAS Embargo," published in the 10 January Latin America DAILY REPORT, page 5:

Page 6, column one, first full paragraph, first sentence, make read: go to the countryside due to repressive...(substituting "countryside" for "campaigns")

Jamaica

Minister Small Signs Debt Rescheduling Agreement

FL1401235192 Bridgetown CANA in English 2230 GMT 14 Jan 92

[By Garfield Myers]

[Text] Kingston, Jamaica, Jan 14, CANA—Jamaica's largest bilateral creditor, the United States, formally agreed Tuesday to reschedule payments on U.S. 47 million dollars of the more than 750 million dollars owed to it by Jamaica. The agreement signed by Finance and Planning Minister Hugh Small and the United States Ambassador Glen Holden, conforms to the Paris Club Accord and involves the total principal and interest falling due from June 1, 1991 to June 30, 1992.

The repayment terms are the best secured so far by Jamaica under the Paris Club arrangements. The agreement includes official development assistance through the United States Agency for International Development [USAID] of 18.7 million U.S. dollars. This allows for a 10-year grace period with repayments beginning in 2002 and ending in 2011 following 20 semi-annual installments. The remaining 28.3 million dollars entails non-concessional arrangements between Jamaica and the U.S. export import bank for 10 million dollars, as well as commodity credits of 12.8 million dollars, defence assistance of 0.8 million dollars, and a housing guarantee of 4.7 million dollars. A six-year-grace period will delay the start of repayment until June, 1998 with 18 semi-annual payments ending in December, 2006.

Finance Minister Small said the USAID loans had helped over the years to develop aspects of the economic and social environment including rural feeder roads, forestry and agro-industrial projects while Exim Bank loans had helped in upgrading the cement company, public utilities, and the airports authority. He praised the United States Government for its assistance to Jamaica over the years and singled out for special mention the U.S. Government's cancelling of 216.7 million dollars or 80 per cent of Jamaica's food debt last August. The debt was cancelled under the Enterprise for the Americas Initiative (EAI).

U.S. Ambassador Holden emphasised that Jamaica had been granted the latest debt repayment concessions "not because of friendship" but in recognition of correct economic policies. The latest rescheduling he said "could not have occurred under the rules of the Paris Club" without the approval of the International Monetary Fund (IMF) and other international financial agencies.

In an obvious reference to the government's policy of economic liberalisation, he said he was aware that "current programmes" were often unpopular and that these "are not easy times" but he said "we must do those things now.... that will help later."

El Salvador

'Full Official Text' of 'New York Agreement II'

PA1401142992 Paris AFP in Spanish 1107 GMT 14 Jan 92

[Text] New York, United Nations, 14 Jan (AFP)—Following is the full official text of New York Agreement II, signed on the evening of 13 January by the Salvadoran Government and the guerrillas:

"New York Agreement II

"The Government of El Salvador and the Farabundo Marti National Liberaton Front [FMLN], assembled at UN headquarters, have reached agreements to finalize the negotiations on all issues pending after the signing of the New York Agreements on 31 December 1991.

"This paves the way for the siging of the peace agreement in Mexico City on 16 January 1992.

[Issued] New York, 13 January 1992

[Signed] Representing the Salvadoran Government:

Doctor Oscar Santamaria
Doctor David Escobar Galindo
General Mauricio Ernesto Vargas
Doctor Rafael Hernan Contreras

Representing the FMLN:

Commander Jorge Shafik Handal
Commander Salvador Sanchez Ceren
Commander Eduardo Sancho
Ana Guadalupe Martinez
Maria Marta Valladares

Representing the UN secretary general:

Alvaro De Soto"

'Text' of Schedule for Salvadoran Agreements

PA1501051992 Madrid EFE in Spanish 0151 GMT 15 Jan 92

[Text] United Nations, 14 Jan (EFE)—This is the full text, to which EFE has access, of the schedule for the execution of the El Salvador peace agreement reached at dawn on 14 January at the United Nations following intense negotiations between the government and the guerrillas of the Farabundo Marti National Liberation Front (FMLN).

In the text, which has not been officially published but which EFE learned about, the letter "A" appears repeatedly in reference to 16 January, the date on which the agreements will be signed in Mexico City. The letter "D" appears in reference to the date 1 February, when the definitive cease-fire goes into effect.

Behind these two letters appear numbers that are days. For example, if as of 16 January a deadline of eight days is established, this is represented as: "A+8."

Chapter IX - Execution Schedule

1. Copaz [National Commission for the Consolidation of Peace]

1.1 Presentation of the law that formalizes it to the Legislative Assembly: at latest A+8.

1.2 Installation: Day D

2. Armed Forces

2.1 Ratification of the constitutional reform.

2.1.1 Ratification by the Legislative Assembly: between Days A and D.

2.1.2 Publication: at latest D+15.

2.2 Education System

2.2.1 Establishment of the number of members and presentation by Copaz of a list of three names for the appointment of the civilian members of the Academic Council of the military school: D+90.

2.2.2 Appointment of the Academic Council of the military school: at latest D+100.

2.2.3 Appointment of the academic body: between D+120 and D+180.

2.2.4 Reforms to the educational system: at latest D+210.

2.2.5 Establishment of the admissions system by the Academic Council: at latest D+210.

2.3 Purge

2.3.1 Issuance of the agreement that will legally shape and formalize the ad hoc commission: A+5.

2.3.2 Installation of the ad hoc commission: D+105

2.3.3 Result of the evaluation: D+195

2.3.4 Corresponding administrative decisions: D+255.

2.3.5 Implementation: D+255

2.4 Reduction

The Salvadoran Government presents to the UN secretary general the schedule for the execution of the reduction plan which point 4 of Chapter I of the present agreement refers to. The secretary general disclosed the schedule to the FMLN. The United Nations verified the fulfillment of that schedule.

2.5 Public security corps: Elimination of the PH [Treasury Police] and GN [National Guard] as CUSEP

[Public Security Corps'] and the transferrence of their members to the Army: D+30.

2.6 State Intelligence

2.6.1 Dissolution of the DNI [National Investigations Directorate]: at latest D+135.

2.6.2 Creation of the State Intelligence Body: at latest D+30.

2.6.3 Appointment of the director: at latest D+45

2.6.4 Beginning of the evaluation of DNI personnel: D+60.

2.7 Rapid Deployment Infantry Battalions [BIRI]

The segment of the schedule concerning the execution of the reduction plan mentioned in paragraph 2.4 of this same chapter states, with regard to the BIRI's: "The BIRI's [Rapid Deployment Infantry Battalions] will start demobilizing in the third week of the sixth month, for a period of four weeks. Once the demobilization has begun, a battalion will be considered as having lost its offensive combat capabilities.

The BIRIs will be demobilized in the following order:

Month 6: BIRI General Ramon Belloso.
Month 7: BIRI Atonal.
Month 8: BIRI Atlacatl.
Month 9: BIRI General Eusebio Bracamonte.
Month 10: BIRI General Jose Manuel Arce.

2.8 Paramilitary entities

2.8.1 Civil Defense

2.8.1.1 Registration and location: at latest D+60.

2.8.1.2 Disarmament: at latest D+120.

2.8.1.3 Total dissolution: at latest D+150.

2.8.2 Armed Forces Reserve System:

2.8.2.1 Presentation to the Legislative Assembly of the draft of the Armed Forces military service and reserves law: at latest D+60.

2.8.2.2 Proclamation of the law referent to the new Armed Forces military service and reserves system: at latest D+90.

2.8.2.3 Substitution of the territorial service for a new Armed Forces reserves system: at latest D+120.

2.8.3 Private security bodies: Presentation to the Legislative Assembly of the draft of the law: at latest D+45.

2.9 Suspension of Conscription

2.9.1 Implementation of the suspension: D

2.9.2 Broad dissemination through all the media, particularly the radio stations, starting on D.

2.9.3 Presentation of the draft military service and Armed Forces reserve law at the Legislative Assembly: not later than D+60.

2.9.4 Promulgation of the law: D+90.

2.10 Preventive and Supportive Measures

2.10.1 Organization of the Armed Forces Inspector General's office: between A and D+90.

2.10.2 Presentation of the draft law on the illegal acquisition of riches to the Legislative Assembly: D+90.

2.10.3 Suspension of the issuance of permits to private citizens for the possession of weapons exclusively used by the Armed Forces: A.

2.10.4 Cancellation of permits issued to private citizens for the possession of weapons exclusively used by the Armed Forces: not later than D+30.

2.10.5 Gathering of these weapons: between D+30 and D+270.

2.10.6 Dissemination of the Armed Forces' doctrine: effective D+30.

2.10.7 Adaptation of the legislation on the Armed Forces: between D and D+270.

3. National Civilian Police [PNC]

3.1 Presentation of the draft PNC organization law to the Legislative Assembly: D+20.

3.2 Presentation of the draft organization law of the National Public Security Academy: between A and D.

3.3 Appointment of the coordinator: before D.

3.4 Presentation by Copaz of the list for the appointment of the PNC Director General: not later than D+20.

3.5 Appointment of the PNC Director General: not later than D+30.

3.6 Presentation by Copaz of the list for the appointment of the National Public Security Academy director general: D+5.

3.7 Definition of the number of members and presentation by Copaz of the lists for the appointment of the National Public Security Academy's academic council: D+5.

3.8 Appointment of the National Public Security Academy's director and academic council members: D+15.

3.9 Appointment of the Copaz subcommission for the PNC: not later than D.

3.10 Preparation of the propaganda campaign for recruitment: not later than D+10.

3.11 Beginning of the propaganda campaign for recruitment: not later than D+15.

3.12 Preparation of the aptitute test for former PN members and former FMLN fighters: not later than D+30.

3.13 Organization of short courses for this test: not later than D+45.

3.14 Evaluation of former PN members: starting on D+30 and throughout the transition.

3.15 Aptitude and fitness test: not later than D+80.

3.16 Implementation of admission system at National Public Security Academy: not later than D+60.

3.17 Creation of qualifying juries: not later than D+90.

3.18 Admission of the first contingent: not later than D+90.

3.19 Beginning of the National Public Security Academy courses: not later than D+90 (4).

(4) (The two parties recognize that this is an ambitious goal in which their political will is pledged, but its achievement depends on whether or not all the national and international factors involved will operate optimally, which cannot be guaranteed by this method.)

3.20 Creation of all the PNC's functional structure: D+240.

3.21 Abolishment of structures that are incompatible with the PNC's finance division: D+240.

3.22 Beginning of the PNC's territorial deployment: not later than D+270.

3.23 End of the PNC's territorial deployment: 21 months after the territorial deployment begins.

3.24 End of the PNC's transitory period and PN's functions: two years after the territorial deployment begins.

3.25 Expiration of the billeting possibility: 31-12-93.

4. Judicial System

4.1 Judicature Council

4.1.1 Presenting the draft resolution of law reforms to the Legislative Assembly: at the latest D+60.

4.1.2 Approval of the new law: D+90.

4.1.3 Election and installation: at the latest when new law sanctioned plus 90.

4.2 Legal training school: at the latest when installing CNJ plus 180.

4.3 Preparing list of CSJ candidates: April 1994.

4.4 Judicial career: Presenting before the Legislative Assembly the legal reform draft resolution: at the latest D+90.

4.5 Military Jurisdiction: Presenting before the Legislative Assembly the legal reform draft resolution: at the latest D+90.

4.6 National Ombudsman's Office for Human Rights Defense. [Procuraduria Nacional para la Defensa de los Derechos Humanos]:

4.6.1 To present before the Legislative Assembly an organization law draft resolution: at the latest D+60.

4.6.2 Appointment of Obudsman: at the latest D+30.

5. Electoral System

5.1 Appointment of the Supreme Electoral Tribunal: at the latest D+15.

5.2 Appointment by Copaz of the Special Commission: at the latest D+15.

5.3 Legal Reform: at the latest D+120.

5.4 Full right of legally registered parties to oversee the preparation, organization, publication, and update of the electoral registry: at the latest one year after the elections.

5.5 Publishing the list of voters: at least 20 days prior to elections.

6. Social Economic Topic

6.1 FMLN to present an inventory of the land plots or houses affected within areas of conflict: A+30.

6.2 Appointment by Copaz of a special commission: at the latest A+20.

6.3 Legalization of land holdings within areas of conflict: at the latest A+180.

6.4 Presenting before the Legislative Assembly a draft resolution on consumer protection: at the latest A+60.

6.5 Copaz to summon the Social Economic Forum: at the latest A+30.

6.6 Special Operations Group to present the FMLN a Reconstruction Plan: at the latest A+30.

6.7 Creating the Reconstruction Fund: at the latest D+60.

6.8 Begin complying with credit agreements for agricultural and cattle-raising sectors and for micro and small business: from D+120.

6.9 Begin transfer of land that exceeds 245 hectares from D.

6.10 Begin land requests to the government by former fighters from both sides: D+60.

6.11 Begin preferential transfer of land by the government to former fighters from both sides who have requested it and who are of peasant origin with a vocation for agriculture and who do not own any land deeds: D+90.

6.12 Presenting before the Legislative Assembly an Agrarian Code draft resolution: at the latest A+12 months.

6.13 Implementing privatization and social compensation agreements: starting from A.

6.14 Implementing agreements on foreign cooperation: beginning Day D.

6.15 Implementing programs to ease the incorporation of former FMLN fighters: before D+60.

7. FMLN Political Participation

7.1 Adopt legislative or other measures to guarantee full exercise of rights of former FMLN fighters: between A and D (5).

(5) (It is understood that these measures will take effect in sufficient time to allow FMLN members to join Copaz and other commissions without any sort of restriction. It is also understood that these legislative measures are broadly granted and do not exclude any type of former FMLN fighter. Therefore it includes facilities to obtain documentation and does not discriminate against any FMLN member.)

7.2 Solution for the problem of security for leaders and FMLN participants in Copaz and other commissions: between A and D.

7.3 Release of political prisoners: D+30.

7.4 Promotion of the legislative decree for the legalization of the FMLN as a political party: beginning on D+90.

7.5 Authorization of licenses for the media: beginning on D+30.

7.6 Broad guarantees and securities for return: Beginning on D+40.

8. End of the Armed Confronation [CEA]

8.1 Informal CEA: between A and D.

8.2 Installation of the joint working group: A.

8.3 Beginning of reconciliation campaign: A+1.

8.4 Armed Forces of El Salvador [FAES] sends Onusal [UN Observers for El Salvador] detailed information on the number of troops and armament that will be concentrated in the places listed on Annex A: at the latest on D-7.

8.5 FMLN provides Onusal detailed information on the number of troops and inventory of weapons, ammunition, mines, and other explosives, and military equipment anywhere on national territory and its plans to concentrate them in the places listed on Annex B: at the latest on D-7.

8.6 Specific designation of the places established for the retreat of the FAES and FMLN: between A and D.

8.7 First phase of separation of forces: between D and D+5.

8.8 Second phase of seperation of forces: between D+5 and D+30.

8.9 FMLN concentration, under Onusal supervision, of all weapons, ammunition, mines, explosives, and military equipment belonging to the FMLN, including clandestine ones, in each one of the 15 designated places, in keeping with Paragraph 26 of Chapter 7: between D+6 and D+30.

8.10 Onusal control of all weapons, ammunition, mines, explosives and military equipment belonging to the FMLN, including clandestine ones, in keeping with paragraphs 27 and 28 of Chapter 7: beginning on D+30.

8.11 Reincorporation of former FMLM combatants, within a framework of full legality, to the country's civilian, political, and institutional life:

8.11.1 D+90: not less than 20 percent.

8.11.2 D+120: not less than 40 percent.

8.11.3 D+180: not less than 60 percent.

8.11.4 D+240: not less than 80 percent.

8.11.5 31 October 92: 100 percent.

8.12 End of FMLN military structure: between 15 October 92 and 31 October 92.

9. Final Provision

The implementation deadlines of the agreements that are not contained on this calendar, as well as the adjustments that for any reason need to be made to these agreements, will be handled by Onusal, in consultation with the parties.

Final Declaration

The parties voice their firm determination to respect and implement in good faith all commitments acquired in this agreement and in the others reached within the negotiation process, within the terms and through the mechanisms established by them, as well as to cooperate with Onusal in its task of verifying compliance with such

agreements. The Salvadoran Government formally commits itself to promote the approval of the agreed upon legislative reforms in due time to have them promulgated by the established deadlines.

Cristiani Comments on Reduction of BIRIs

PA1401222592 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 14 Jan 92

[Report by Nery Mabel Reyes]

[Text] President Alfredo Cristiani said on 14 January that there are two points regarding the reduction of the Armed Forces. One deals with the reduction of the institution, and the other deals with the dissolution of the Rapid Deployment Infantry Battalions [BIRI]. Cristiani stated that some aspects dealing with the BIRI reduction were negotiated with the Farabundo Marti National Liberation Front [FMLN], but the remaining aspects of this issue are part of a commitment the government made with the United Nations. The president stressed that there is no negotiated agreement with the FMLN on the matter of the reduction of the Armed Forces, adding that the United Nations will (?implement) the mechanisms to verify compliance with the peace agreements to be signed by government and FMLN delegations on 16 January in Mexico.

[Begin recording] [Cristiani] The BIRI are included in the process to reduce the Armed Forces; a timetable was set for this process, which will last two years. The reduction will be gradual to avoid social problems or traumas, as a large number of soldiers will be discharged. The government lacks the means to incorporate them, in an orderly fashion, into productive life. The BIRI are part of the whole process.

[Reporter] Would the plan we learned of today regarding the reduction of the Armed Forces be subject to a timetable? If so, I would like you to explain it to us a little bit. Can you tell us about the visit by U.S. Secretary of State James Baker? What is the chief objective of this visit, and what points will be discussed?

[Cristiani] The matter that is perhaps confusing regarding the reduction timetable is as follows: The Agreement on the Armed Forces includes a specific section on the BIRI. For this reason the part of the reduction timetable dealing with the BIRI battalions includes them in the timetable agreement. As for the remaining reductions, you will recall that the agreement with the FMLN consisted of negotiating the reduction criteria, which were agreed upon and incorporated into the Agreement on the Armed Forces that was reached on 31 December. As for the reduction agreement-...[end recording]

This was an excerpt of the statements Cristiani made this morning at the Legislative Assembly. He went to the Legislative Assembly to request permission to travel to Mexico. The military institutions are governed by constitutional rules, and rebels are a group outside the law, the president stated. He was also hopeful that the signing of the peace agreement on Thursday will establish the basis for a true reconciliation in the country. Commenting on this week's visit by U.S. Secretary of State James Baker, Cristiani noted that the purpose of the visit is to work on some matters related to national reconstruction and the cooperation that some friendly countries will provide. He also discussed some aspects regarding the similarities between the Armed Forces reduction and the FMLN disarmament, noting that the conditions for these two processes are totally different, and that is why they should not be handled in the same way.

Cristiani Denies Agreement 'Harsh Blow'

PA1501041292 San Salvador Canal Doce Television in Spanish 0308 GMT 15 Jan 92

[Report by Ernesto Rivas]

[Excerpt] [passage omitted] President Alfredo Cristiani has rejected as speculation the resignation of Defense Minister General Rene Emilio Ponce. He also clearly stated that the government will punish all those who illegally seize lands because even the Farabundo Marti National Liberation Front [FMLN] has pledged not to continue these actions, which violate the law.

[Begin Cristiani recording] The illegal seizure of land is a violation of the law and, consequently, we will enforce the law. [end recording]

The president of the Republic renewed his permit to leave the country. He will travel to Mexico, where the peace agreements resulting from a long negotiation process will be officially signed on 16 January.

Cristiani said that the schedule was agreed in full. All the agreements pending on 31 December were signed at approximately 0300 on 1 January, so the United Nations document will no longer be necessary. The president also rejected the report that this will represent a harsh blow to the Armed Forces, as the opposition claims. It is quite the contrary because, based on the agreements, the military corps will be reborn as a democratic organization that will guarantee democracy, he said.

Ponce Blames FMLN for Delay in Peace Talks

PA1401165192 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Jan 92

[Report by Alfredo Villareal; passages within quotation marks are recorded]

[Text] Defense Minister General Rene Emilio Ponce has blamed the Farabundo Marti National Liberation Front [FMLN] for the delay in the New York talks. The FMLN is demanding symmetry, demanding that the six rapid deployment battalions operating throughout the country be dissolved simultaneously during the nine-month FMLN disarmament period. Gen. Ponce flatly rejected the rebels' demand.

[Ponce] "There can be no symmetry between a clandestine terrorist group and a professional and institutional

armed corps. The New York negotiations deal with a timetable for the FMLN to surrender its weapons and rejoin the country's civilian and democratic mainstream with full legitimacy. The talks were extended another day because of this problem. We will soon see the results."

According to Ponce, the Army will reduce its personnel within 12 to 24 months. This agreement has already been signed with the United Nations, Ponce explained. The Army, in turn, has already planned its return to garrisons during the first months of the implementation of the agreements. According to Ponce, the troops will be stationed at 100 military posts.

[Ponce] "The FMLN will initially gather in 50 zones. Afterward, it will gather in 15 zones within a 30-day period, starting 1 February. Its disarmament and demobilization will begin then so it can politically rejoin the country's mainstream. As for us, we will initially gather in 100 posts. Then our deployment will be appropriate for peacetime."

The military chief said the Army and the authorities will pursue and punish to the full extent of the law anyone trying to boycott this process. He described such sectors as extremist.

[Ponce] "The armed corps, with the investigatory means available to it, is doing its best to identify those persons and bring them to justice. We cannot allow individuals opposed to the peace effort to continue operating."

Gen. Ponce noted he will attend, with President Alfredo Cristiani, the ceremony to sign the peace agreements in Chapultepec, Mexico City, as an indication of the military's support for the current pacification process, which demands a great deal of flexibility from both sides.

Onusal Expansion Requested To Verify Agreement

PA1401231292 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 14 Jan 92

[Text] It has been reported that the UN Security Council will approve the expansion of the UN Observers for El Salvador, Onusal, to some 1,000 members to ensure the fulfillment of the peace agreements between the government and the guerrillas following 12 years of civil war.

The Security Council reached an informal agreement, which will be made formal this afternoon, to expand Onusal so the cease-fire and the creation of the new Salvadoran National Civilian Police can be verified according to the agreements signed on 31 December 1991, UK Permanent Representative David Hannay, president of the UN Security Council, said following informal consultations.

The consultations were held while the government and the Farabundo Marti National Liberation Front, FMLN, were negotiating at the United Nations to draft, before midnight, the schedule for the reduction of the Armed Forces and the dismantling of the rebels and other points left pending on 31 December.

The final signing of the definitive peace agreements in Mexico on 16 January is not in danger, according to Hannay, who said he hopes both sides can quickly resolve their differences before midnight on 13 January. Otherwise, according to the 31 December agreements, they will have to accept the formulas presented to them by the United Nations.

UN Secretary General Butrus Ghali asked the Security Council for the Onusal expansion for the deployment of approximately 1,000 people, 372 military observers and 631 police monitors, to verify the formal cease-fire scheduled to go into effect in El Salvador on 1 February. In addition, they will supervise the creation of the new National Civilian Police.

Some 170 UN representatives already in El Salvador are verifying the fulfillment of human rights agreements between the government and the guerrillas.

I believe we all share the hope that the peace agreements will be signed on 16 January. If the agreements are signed, the UN military observers will be ready to verify the disarmament of the Army troops, while another large contingent will be police monitors, Hannay said.

According to the 31 December 1991 agreements, the government and the guerrillas decided to draft the schedule for the implementation of the cease-fire agreement, as well as the disarmament of the rebels and their return to El Salvador's civilian and political life. Otherwise, they promised to accept the formula presented to them by the United Nations no later than 14 January because the signing of the agreements will take place in Mexico on 16 January.

The big differences regarding the reduction of the Army, especially the deadline for the dissolution of the elite battalions accused of serious human rights violations and trained by the United States, forced the parties to extend the deadline twice. The latest deadline was 13 January. The objective of the deadline extension lies in the desire of both sides to reach a consensus and avoid the United Nations' dictating formulas. This would undermine trust in the willingness of both sides to fulfill the peace agreements aimed at transforming El Salvador and ending the war, which has killed over 75,000 people.

Diplomatic sources from the United States, which joined forces with Spain, Colombia, Mexico, and Venezuela to help the United Nations in its mediation, have not ruled out the possibility that the United Nations may have to impose a solution.

Daily Publishes Changes in Armed Forces Command

PA1501001592 San Salvador EL MUNDO in Spanish 11 Jan 92 p 3

[Text] A Coprefa [Armed Forces Press Committee] communique stated on 11 January that the Defense Ministry has officially announced a series of changes of command at several military posts throughout the country. These

changes are part of the Armed Forces dynamics; are in compliance with internal regulations; and, given the military corps' professionalism, are a routine procedure.

The Coprefa communique adds: "Following are the most important changes: Colonel Jose Humberto Gomez was appointed commander of the 1st Infantry Brigade, which has its headquarters in the capital. He replaces Colonel Francisco Elena Fuentes, who has been transferred to the foreign service as head of the Salvadoran delegation to the Permanent Commission of the Central American Defense Council (Copecodeca) in Guatemala. Colonel Carlos Rolando Herrarte has been appointed commander of the 2d Infantry Brigade in Santa Ana; he replaces Colonel Jose Humberto Gomez.

"Colonel Ivan Reynaldo Diaz, former commander of the Artillery Brigade, has been appointed commander of the 3d Infantry Brigade in San Miguel. He replaces Colonel Ciro Lopez Roque, who was appointed director general of the National Police. The command of the 4th Infantry Brigade in El Paraiso, Chalatenango Department, has been assigned to Colonel Oscar Alberto Leon Linares, former commander of the 4th Military Detachment; and the command of this unit in Morazan Department has been assigned to Colonel Jose Eduardo Angel Orellana. Colonel Rene Arnoldo Majano Araujo has been appointed commander of the 5th Infantry Brigade in San Vicente, replacing Colonel Carlos Rolando Herrarte. Colonel Orlando Carranza has been appointed commander of the 6th Infantry Brigade in Usulutan; he replaces Colonel Julio Cesar Grijalva, who was appointed director of the 'Captain General Gerardo Barrios' Military Academy.

"The following changes were made in several military detachments: The command post of the 2d Military Detachment in Sensuntepeque has been assigned to Colonel Nicolas Hernandez Quintanilla, who was previously commander of the Atonal Battalion in Usulutan. The Atonal Battalion's command post has been assigned to Lieutenant Colonel Jose Alejandro Monterrosa Amaya. In the country's eastern zone, Colonel Jose Mario Gordinez Castillo, commander of the 3d Military Detachment, will be replaced by Colonel Juan Ernesto Mendez Rodriguez, who was commander of the Belloso Battalion. Lieutenant Colonel Angel Eliseo Ramos Escalante has been appointed commander of the Belloso Battalion.

"The command post of the 5th Military Detachment in Cojutepeque has been assigned to Colonel Jose Domingo Flores Portillo, who was formerly commander of the 2d Military Detachment. Another change in a command post occurred in Sonsonate, where Colonel Manuel Antonio Hermenegildo Rivas has been appointed commander of the 6th Military Detachment, replacing Colonel Jorge Alberto Medrano Villeda."

Commentary Views Recent Military Changes

PA1501024592 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 14 Jan 92

[Station commentary: "Militarism Will Be Unable To Reorganize in El Salvador"]

[Text] While the peace agreements are about to deal a death blow to militarism in our country, the military high command has reorganized its positions of power, trying to prolong its predominance over civilian society. The recent changes in Armed Forces high-level commands can be described as the last attempt by hard-line officers to maintain the system of impunity, abuse of power, illegal enrichment, and privileges that has characterized the military community during the past 60 years.

Maintaining colonels of well-known antidemocratic and criminal background such as Leon Linares, Ivan Reynaldo Diaz, Humberto Gomez, and among others, La Tandona [refers to the 1966 graduating class of the Captain Gerardo Barrios Military Academy] as commanders of the main brigades and garrisons has simply transferred one brigade to another, one garrison to another, the same executioners of the Salvadoran people. While these changes were being announced, the High Command was presenting at the negotiating table a ridiculous reduction plan that did not satisfy the nation's aspirations for peace and demilitarization. This provoked a brief crisis at the negotiating table and prolonged the peace talks, which should have concluded with final agreements on 10 January.

Nevertheless, the peace agareement will definitely be signed on 16 January and the avalanche of changes that will accompany the implementation of the New York Agreements is unstoppable. What is more, they have already begun to be felt with the transfer of Colonel Helena Fuentes, which is more an expulsion of a terrorist from our country than a transfer. That is the fate he would have faced when the Commission of Truth and the Ad Hoc Commission began operating. These commissions will be in charge of investigations of the main human rights violations and the purge of the Armed Forces.

The question is: Who will continue after Helena Fuentes? Will the La Tandona officers continue stealing and maintaining their predominance? What we can be sure of is that after 16 January, other winds will begin to blow over El Salvador. Starting on 1 February, the day when the formal cease-fire and the implementation of the New York Agreements begin, those winds will increase until they turn into a hurricane that will sweep away a dark past of terror and dictatorship.

United States Asked Not To Deport Salvadorans

PA1501030992 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Jan 92

[Station commentary: "Historical U.S. Debt"]

[Text] Our country is experiencing social changes marked by the end of militarism and the beginning of a process of democratization and socioeconomic reform. This process will be consolidated as the popular struggle and mobilization intensify to guarantee the fulfillment of the New York agreements. In this way we will be attaining new goals in the struggle for a more just society in which the national wealth will benefit the majority of the people.

Amid this situation, the U.S. Government has threatened to expel 200,000 Salvadorans who reside illegally in the United States. First of all, we must state that repression is the reason why hundreds of thousands of Salvadorans left the country. These Salvadoran brothers left the country because they were fleeing from the death squads; from becoming the victims of massacres carried out by the Atlacatl, Belloso, and other battalions; and from the indiscriminate bombing by the government's Air Force. These Salvadorans left the country fleeing from hunger and unemployment. They fled from persecution by the Armed Forces, which have been financed by the U.S. Government for the past 11 years. In this sense, the U.S. Government has a historic debt to those Salvadorans who today are in danger of being deported from the United States.

The deportation of these fellow countrymen during this economic crisis, and especially during the phase of national reconstruction we are going to experience, would destabilize the process of implementing the peace agreements. In this regard, the Farabundo Marti National Liberation Front asks the U.S. Government to make a mature and responsible decision and not deport these Salvadorans.

The country asks the United States to assume the historic debt it owes El Salvador and the 1 million Salvadorans who fled from the bombs, cannons, and battalions the U.S. military aid financed. That military aid should be suspended immediately after the signing of the peace agreements. Such a suspension would be an essential contribution by the United States to the consolidation of peace.

Armed Forces, Rebel Clashes 6-12 Jan Reported

PA1501043592

[Editorial Report] Following is a compilation of reports on clashes between the Salvadoran Armed Forces and the National Army for Democracy, END, guerrilla forces of the Farabundo Marti National Liberation Front, FMLN, reported between 6 and 12 January.

San Salvador EL DIARIO DE HOY in Spanish on 6 January on page 42 in a 150-word article reports on a clash between 5th Infantry Brigade troops and terrorists in San Benito, Mercedes Umana. During the clash four terrorists were injured and three were captured. The soldiers also seized one M-90 machine gun, 1,000 cartridges, knapsacks, and other items. The article also quotes a Defense Ministry report that armed individuals, their faces concealed by red handkerchiefs, have been attacking and stealing money and other belongings from passersby in Tres Puertas, La Libertad Department.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 7 January reports on clashes on 6 January between END forces and Military Detachment No. 5 troops. The report states that the clashes took place at 1000 in El Llano and resulted in three Army casualties. The report goes on to state that six companies from Military Detachment No. 5 are conducting operations in END-controlled areas in Cinquera, Cabanas Department.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 7 January broadcasts its "Lets Give Peace a Break" segment, which lasts three minutes. According to the station announcer, "dark factions of the Salvadoran Army do not want to give peace a chance, because they have continued their provocations and aggressions against areas under FMLN control."

This segment also reports on clashes staged between 1230 and 1400 on 6 January in Potonico, Chalatenango Department, between troops from Military Detachment No. 1 and END forces. The announcer reports that the END inflicted four casualties on Army troops.

Paris AFP in Spanish at 1713 GMT on 7 January reports on clashes between the Salvadoran Government and guerrillas, despite the peace agreements. Three rebels were killed on 5 January in Santa Rita, Chalatenango Department, and one was killed on the same day near Mercedes Umana. On 6 January three soldiers were injured during a clash in Cinquera, and one civilian was injured during a clash in San Marcos, Cabanas Department. The report concludes that goverment and guerrillas will formally sign a peace agreement on 16 January and that a cease-fire will go into effect on 1 February.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT 9 January broadcasts a five-minute long "Lets Give Peace a Break" segment on how "some Salvadoran soldiers are still determined to create a negative climate for the negotiations." According to the report, residents of El Achiote hamlet in Usulutan Department have disclosed that on 6 January, 5th Infantry Brigade troops fired indiscriminately on residents fishing in the Lempa River, forcing them to flee. It also states that at 0600 on 8 January in Chalatenango, a Military Detachment No. 1 battalion entered FMLN-controlled areas in Los Gramales, where they suffered one casualty during clashes with rebel forces. The report goes on to state that at 0900 on 8 January, FMLN forces clashed on Cerro Verde with "the enemy," who suffered three casualties. "The enemy" also opened fire indiscriminately on civilians with 81-mm mortars, endangering many people's lives. Also on 8 January, Military Detachment No. 1 forces suffered one casualty during early morning clashes with rebels. The same detachment clashed between 1000 and 1300 with FMLN forces in Las Minas, suffering four casualties, while the FMLN suffered none.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 10 January broadcasts a two-minute report in which members of the FMLN and Armed Forces confirm that heavy clashes were staged on 9 January in Chalatenango Department. The Armed Forces Press Committee reported that during a clash in Potonico, 10 guerrillas were killed, while 16 guerrillas and two Army troops were injured.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 12 January broadcasts five minutes of battle reports. The first report indicates that at approximately 0750 on 12 January, troops from Military Detachment No. 1 clashed with FMLN forces in Potonico and Las Canas in Chalatenango Department. On the afternoon of the same day, between 1530 and 1700, Army and rebels clashed in Las Minas in the same department. According to the report, the Army suffered one casualty.

The second report, from San Vicente Department, indicates that at 1145 on 11 January, END forces clashed with Jiboa Battalion forces in El Tortuguero; the END reports that the Army suffered two casualties. Later in the day, the same Army forces resumed the clashes and suffered two more casualties.

To conclude, a report from Chalatenango Department indicates that on 11 January the Army suffered four casualties during clashes with rebel forces in Pacayas and Aldea Vieja.

Guatemala

Talks With URNG To Take Place in Mexico City

PA1501012592 Guatemala City PRENSA LIBRE in Spanish 14 Jan 92 p 4

[Text] It was confirmed on 13 January by Manuel Conde Orellana, secretary general of the presidency and leader of the official delegation to the peace talks, that the next talks between Guatemalan National Revolutionary Unity (URNG) and government representatives will take place in Mexico City, but the dates have not been confirmed.

The official reasserted his optimism about the renewal of talks, which were blocked during the last summit meeting in October during the human rights discussion. Conde said the government is willing to sign the total peace agreement during the first half of 1992, but the URNG lacks the will and inclination.

Conde Orellana said the peace agreements signed by Salvadoran President Alfredo Cristiani and the Farabundo Marti National Liberation Front prove that political decisions are being adopted in many parts of the world to settle armed and violent conflicts.

This is further proof that people and governments must opt for a political solution to conflicts and problems, to eradicate violent and armed actions once and for all, he said. Changes are being made throughout the world to seek political and negotiated solutions, instead of violent actions and death.

Conde Orellana added: In Guatemala's case, the people have realized that "we have created no obstacle for the achievement of a complete peace, so we would like the agreements to be signed during the first half of this year."

He added that President Serrano's proposal on the issue is based on four basic points: stop the armed conflict, consolidate democracy, strengthen a legal system, and achieve economic and social equity.

We have achieved considerable progress on the four points; and we have faith and confidence that the Guatemalan community will soon breathe an atmosphere of peace. The government's plan is aimed at ending the armed conflict. The government wants peace to be more than an absence of bullets; it wants peace to be in the peoples' hearts, stomachs, and minds.

* Increasing Labor Unrest Threatens Services

92CA0068A Guatemala City SIGLO VEINTIUNO in Spanish 12 Dec 91 p 8

[Text] Less than a year after having come to power, President Serrano Elias's government is confronting one of the worst crises in the labor sector. It is due to the fact that various institutions have declared themselves on strike, while others are threatening to initiate progressive measures if the authorities do not meet their demands.

Yesterday over 20,000 workers from the General Directorate of Roads declared themselves on a total strike, owing to the authorities' negligence in resolving the problem that they have been facing since early December, according to their claim.

Added to this are the attempts at other similar movements announced yesterday by workers from the Civil Aeronautics, Anthropology and History, and Post Office agencies.

In nearly all instances they are demanding higher salaries and the dismissal of supervisors, whom they describe as "incompetent, corrupt, and destroyers of the labor movement."

Threat of Work Stoppage in Air Navigation

Yesterday workers from three Civil Aeronautics departments announced that, within the next few days, they would paralyze both national and international air navigation if the authorities do not improve the equipment and meet the salary demands submitted at the time.

Irenaldo Monterroso, Ernesto Garcia, and Ronald Valenzuela, representatives of the Telecommunications, Aeronautical Information Service, and Meteorology sections, respectively, claimed that the authorities discriminated against them by solving only the problems of the Control Tower workers at the La Aurora Airport.

They remarked: "We were discriminated against even though our work is vital, because without it the national and foreign flights could not operate." They denied statements by government officials to the effect that the problem at the Civil Aeronautics agency has already been solved.

Roads Directorate Work Halted

Arnulfo Diaz, general secretary of the General Directorate of Roads workers union, declared that the strike movement will be called off only if the authorities remove engineer Jose Raul Alvarez Roman, chief of the Maintenance Department.

The workers, including those on the payroll, under contract, and paid by the job, began a progressive work stoppage on 4 December. When the negotiations failed, however, they started a total national strike yesterday.

Last Saturday the labor representatives met with the vice minister of communications, transport, and public works, Arturo Palmieri. The latter agreed to meet several requests, except the petition for engineer Alvarez Roman's removal. For this reason, the negotiations reached an impasse, which forced them to go on strike.

The general secretary claimed that the maintenance chief has interfered with the progress of the labor organization, threatening to discharge the members of the national executive committee. He said that this chief accused the latter of "defrauding the state, something that we have never done; because, besides holding our union leadership positions, we are working on a par with our other fellow employees."

He commented: "When engineer Alvarez Roman is removed from the position and assigned to a different public administration department, we shall end our strike position and enter a phase of negotiations to reach an agreement."

Diaz also noted that the union's position is to prevent over 200 workers from Superintendencies 3, 5, and 6, in charge of the Escuintla-Puerto Quetzal highway project, from being laid off, as occurred last year with those from Superintendency 16, in charge of Huehuetenango and Tecpan, Chimaltenango.

Another complaint prompting the strike was the nonpayment of the salary readjustment authorized by the government starting on 1 July of this year.

Strike Attempts

Meanwhile, in the General Directorates of Migration and Post Offices, respectively, they are threatening to initiate de facto measures if their government superiors do not agree to their petitions.

For one thing, the Migration workers union warned that it would halt activities if the interior minister does not dismiss that agency's deputy director, Colonel Mario Rene Espana Rosa.

Yesterday Colonel Espana Rosa responded that he would demand evidence from that agency's union to clear his name, which has been sullied by "irresponsible individuals who made that charge." Moreover, the Post Office workers union is threatening to go on strike if the communications minister does not authorize the reimbursement associated with the 10-day strike in 1989.

Yesterday afternoon the resident physicians at the San Juan de Dios, Roosevelt, San Vicente, Quetzaltenango, and Cuilapa Hospitals stopped working overtime, on extra shifts, and on free days and holidays, to pressure the Public Health agency to cancel their overtime duty.

In the Anthropology Institute

The institute's union accused the minister of culture, Roberto Ogarrio, of having arrived by helicopter the day before yesterday at the Abaj Takalik (Piedra Parada) archeological center in El Asintal, Retalhuleu, and taken possession of 12 pre-Columbian objects, "including these 12 Olmec masks."

The union members emphasized: "We view this looting with concern, because it involves a historical cultural legacy that is not the property of any official; since valuable archeological objects have disappeared as if by magic in the recent past." Hence, they are resolved to initiate de facto measures starting today, until the objects have been restored to their place of origin.

* Congressmen Angered as TIP Exceeds Mandate

92CA0068B Guatemala City SIGLO VEINTIUNO in Spanish 12 Dec 91 p 4

[Text] The control and security operation initiated jointly by the National Police, the Treasury Guard, and the Army, in the Immediate Population Tranquillity Plan (TIP) is still being challenged by the deputies. This is occurring not only because they and their bodyguards have been victims of the "alleged brutality with which its agents are acting, but also because we think that they might commit worse abuses with the common ordinary citizens."

On Tuesday it was learned that the agents of the TIP, primarily a military contingent, had harassed the interior commission chairman, Deputy Clodoveo Dominguez. However, that is not the only instance. Yesterday the eighth secretary of the congressional steering committee, Cesar Augusto Paiz Gomez, reported that one of his bodyguards, Deputy Juan Jose Alfaro, and the pilot for Representative Jose Lobo Dubon, among others, have also suffered mistreatment on the part of TIP agents.

He remarked: "I sent my pilot to take care of some business and, on the way, he was detained at a checkpoint. They confiscated his firearm, even though he identified himself fully with credentials from Army Headquarters and with the ID card accrediting him as a member of my security force, signed by the Presidency of Congress."

The agents argued that the credentials "might be false. Therefore, I had to talk to the chief of the Ambulatory

Military Police to retrieve the weapon and the Presidency of Congress ID card; because, in any event, they kept the credentials from Army Headquarters."

Paiz expressed fear that the Army or the government "may be interested in leaving the deputies unprotected." At the same time he criticized "the brutal manner in which the TIP agents behave." Because of this situation, the deputies have requested that the interior commission meet with the defense and interior ministers to make them realize that, "If abuses are committed against the nation's dignitaries, who knows what outrages they will commit against ordinary citizens?"

As Paiz Gomez explained, another example is the incident involving Deputy Juan Jose Alfaro, who also encountered problems. He claimed that the worse case was what happened to a pilot of Congressman Jose Lobo Dubon, whose vehicle, owned by the Legislature, was confiscated from him.

The accuser stated specifically: "This was a terrible abuse, because the car had its papers in order, and is fully identified. But, in any case, I had to send an official memorandum reiterating that the vehicle confiscated from Deputy Lobo's pilot is part of the congressional inventory."

Honduras

Callejas on U.S. Bases, Central America

PA1501045192 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 14 Jan 92

[Interview with President Rafael Leonardo Callejas by Julio Armando Valdes at the Presidential Palace in Tegucigalpa on 13 January—recorded]

[Excerpt] [Passage omitted] [Valdes] Must the UN peace-keeping forces withdraw or remain in our country taking into consideration the situation prevailing in El Salvador and that country's alleged expansionist policy?

[Callejas] No, these two issues are not related. We only want....[pauses] Given the latest events and as a preventive measure in case there is a movement of non-authorized persons from El Salvador to Honduras, for whatever reasons, the Onuca [UN Observer Group for Central America] should remain to supervise the Honduran-Salvadoran border.

[Valdes] Referring to the pullout of the Palmerola Military Base, will this take place?

[Callejas] This is a very important issue and it should be analyzed in terms of the interest in Soto Cano Air Force Base and our association with the U.S. military forces. There are many programs that are not specifically linked to military actions. One of them is extremely important for the country because it deals with drug trafficking. We are prepared to talk with the United States and seek alternatives that will allow us to find options that will enable us to form task forces at Soto Cano Air Force Base to fight drug trafficking.

[Valdes] What about the benefits derived from the tour to Mexico City?

[Callejas] There will be many benefits in many areas, ranging from cultural agreements to important negotiations that entail a continuity of the mechanisms approved in Tuxtla Gutierrez, where it was decided that Central America would have a free trade zone with Mexico by 1996. The first phase of the Tuxtla Gutierrez agreements is essentially bilateral; we are interested in adapting ourselves to the new world scheme, based on a regional bloc. Mexico has achieved great progress with the United States and we want to discuss our doubts and review the positive and negative aspects of the agreements for Honduras and Central America in general.

[Valdes] If the Salvadoran Armed Forces are reduced once peace is achieved, will the same thing happen in Honduras?

[Callejas] I believe that the Salvadoran Armed Forces will be reduced and Honduras' strategy will be adapted to the geographical and political situation in Central America. A decision has been adopted on that topic, meaning that mechanisms will be sought so a balance prevails in the Central American region that in the measure that the level of the Central American troops are reduced. That was the initiative included in the security treaty proposed by Honduras. For the time being, the status quo will remain unchanged while peace does not become effective in El Salvador and Guatemala.

Nevertheless, we intend to continue along the same lines and seek a Central American security treaty that seeks the inter-relations of the military forces in the region.

Nicaragua

Foreign Minister on Upcoming Baker Visit

PA1401155292 Managua Radio Nicaragua Network in Spanish 1200 GMT 14 Jan 92

[Text] The Nicaraguan Government on 13 January described the scheduled five-hour visit to Nicaragua on 17 January by Secretary of State James Baker as one of great economic importance to Nicaragua.

Foreign Minister Ernesto Leal announced at a news conference that Baker will meet with President Violeta Chamorro for one hour. They will discuss Nicaragua's economic situation.

Since President Chamorro took office on 25 April 1990, the United States has given Nicaragua aid worth $800 million. The United States has promised $200 million in aid for 1992.

Foreign Minister Leal said Nicaragua will try to convince Baker of the importance of continuing U.S. support for Nicaragua in the next decade or at least for the next five

years. This support is necessary to consolidate the Nicaraguan Government's program for self-sustained economic development with social justice for all.

Ortega, Ramirez Mercado To Meet With Baker

PA1401031292 Managua BARRICADA in Spanish 13 Jan 92 p 1,8

[Article by Roberto Larios]

[Text] Dr. Sergio Ramirez Mercado, head of the Sandinist faction, confirmed to BARRICADA on 12 January that he, along with Commander Daniel Ortega, secretary general of the FSLN [Sandinist National Liberation Front], would be meeting on 17 January with U.S. Secretary of State James Baker.

According to Dr. Mercado, during the meeting, the FSLN plans to stress its intention to continue working toward developing improved relations between this party and the U.S. Government.

Secretary of State Baker's arrival in Managua has been handled very discreetly by the government. BARRICADA's efforts to obtain details from Foreign Minister Ernesto Leal and from the Presidency spokesman were fruitless.

Nevertheless, Dr. Ramirez disclosed that he had received information related to Mr. Baker's intention to meet separately with National Assembly President Alfredo Cesar, and representatives of the UNO [National Opposition Union] political parties who hold seats in the parliament.

This will be the third high-level meeting in the past two years between the FSLN and the government of President George Bush. Ramirez met officially on two previous occasions with Bernard Aronson, assistant secretary of state for inter-American affairs.

The meetings took place in Rome and Washington during May 1990 and February 1991 as Ramirez represented the FSLN at a donor countries' conference.

Government Accredits U.S. Ambassador Sullivan

PA1401162692 Panama City ACAN in Spanish 2034 GMT 13 Jan 92

[Text] Managua, 13 Jan (ACAN-EFE)—The Nicaraguan Foreign Ministry reported on 13 January that Joseph Sullivan has been accredited by the government as the new U.S. ambassador.

Sullivan succeeds U.S. Ambassador Harry Schlaudeman, a retired diplomat called back into service by the U.S. State Department for a short time in Managua.

Sullivan reportedly will arrive on 17 January, part of the group accompanying U.S. Secretary of State James Baker on a five-hour visit to Managua.

Official sources, however, state Sullivan will head the U.S. diplomatic mission only until February.

Army, Recontras Agree on Indefinite Truce

PA1401150992 Panama City ACAN in Spanish 2354 GMT 13 Jan 92

[Text] Managua, 13 Jan [ACAN-EFE]—The Nicaraguan Government and "recontra" leader Jose Angel Moran agreed on 13 January to endorse an "indefinite truce." The truce presupposes restarting commercial and farming activities paralyzed over the last few months by armed activities in the northern part of the country.

This was one of the important agreements signed by Nicaraguan Government Minister Carlos Hurtado and Moran, also known as "El Indomable," following three hours of negotiations in southern Managua.

"El Indomable," a former nurse in the demobilized "contra" force, agreed to 20 of his armed men joining, over the next seven days, the Special Disarmament Brigade (BED), created by the Executive Branch late last year to collect approximately 100,000 weapons still in civilian hands.

The agreement permits "El Indomable's" group to continue operating in "San Marcos," (northern Nicaragua), were they have always been, but without attacking anyone. Moran refused to reveal the group's size.

Moran, who attended the meeting in civilian clothing, wearing a black hat and handkerchiefs with the colors of the Catholic church (yellow and white) around his neck, warned that if his men are attacked, "we will respond."

Another agreement calls for a meeting at the end of the month between "El Indomable" and Hurtado, and for the parties to accept BED guarantees for no armed confrontations in conflict areas.

The main point "El Indomable" is demanding President Violeta Chamorro's government fulfill is for General Humberto Ortega's dismissal from his position as commander in chief of the Sandinist People's Army (EPS).

He also demands the government issue a law to punish those involved in the so-called "pinata scandal" or the handing out of luxury mansions and other state goods among Sandinists before they turned over power to Chamorro.

"After they fulfill that, I will retire from the armed struggle," "El Indomable" said, stressing that "as long as Gen. Ortega remains in office, there will be war."

Monsignor Eddy Montenegro, who participated in the meeting as Cardinal Miguel Obando's representative, said "we can tell there is goodwill for creating an atmosphere for peace in Nicaragua."

Moran, 47, was escorted to the meeting by BED members, the OAS International Commission of Support and Verification (CIAV), and Obando's delegates.

The three "recontra" assistants who accompanied "El Indomable" were "Salvaje," "Bruja," and "Alfalima."

Minister Hurtado stated he will meet on 14 January with "recontra" chiefs "Bolivar" [Jaime Zeledon] and "Campeon" [Jacinto Tercero], and members of the "Enrique Bermudez" Democratic Forces Commanders Council, which groups the majority of the rearmed former "contras."

Groups of rearmed Sandinists, called "recompas," also operate in northern Nicaragua, but they are scattered and operate without a unified command.

Recontra Warns of Violence if Commander Dies

PA1401002292 Managua Radio Sandino in Spanish 1830 GMT 13 Jan 92

[Text] The violence unleashed by the unconventional groups in the northern sector of the country was heightened in the past few hours when groups, believed to be recontras, burned a truck and kidnapped the chief of police and three policemen from the Rio Blanco police station. Meanwhile, recontra leader Guayabon [not further identified], publicly warned that he will unleash a real bloodbath if Encarnacion Valdivia, also known as El Tigrillo, dies. Guayabon has blamed the government for all that is happening because it did not keep its promises to the contras who laid down their weapons. Guayabon's threats were made at the same time that recontra leaders Rojito and Matizon [not further identified] were meeting in El Ayote, Chontales Department, with Msgr. Pablo Antonio Vega and the mayors of Region Five to search for a less violent solution.

Shortly after noon on 13 January it was learned that Jose Angel Moran, the recontra leader known as El Indomable, was on his way to Managua; he will meet with Presidency Minister Antonio Lacayo; Government Minister Carlos Hurtado; Msgr. Eddy Monterrey, who will be representing Cardinal Miguel Obando y Bravo; and a CIAV-OAS [International Commission of Support and Verification-OAS] delegation. El Indomable's delegation, which is traveling under the protection of Government Ministry forces, is expected to arrive in Managua shortly.

Commander Taken to Costa Rica

PA1501001492 Managua Radio Corporacion in Spanish 2200 GMT 14 Jan 92

[Text] Public Health Minister Ernesto Salmeron left for Costa Rica with Encarnacion Valdivia, Commander Tigrillo, on 14 January. Commander Tigrillo was transferred to the Mexico Hospital in Costa Rica in an effort to save his life. Tigrillo has been fighting for his life since he was critically injured in an ambush perpetrated by recompas. The event occurred on 10 January in the country's northern zone.

Meanwhile, Jose Angel Moran Flores, known as El Indomable, is openly negotiating with the government of the Republic through Engineer Carlos Hurtado in an effort to control the military incidents in the northern zone of the country.

Godoy Comments on Chamorro's Assembly Speech

PA1501033692 Managua BARRICADA in Spanish 13 Jan 92 p 5

[Article by Roberto Larios]

[Text] Vice President Virgilio Godoy heard "nothing new" in the presidential message read by Violeta Chamorro during the inauguration of the eighth session of the National Assembly. In exclusive statements to BARRICADA, Godoy criticized corruption in the government and said that it will increase in 1992.

In her message before the National Assembly, President Chamorro promised to fight and end corruption within the government, but Vice President Godoy dismissed the significance of Mrs. Chamorro's promises. "What worries me the most is that there is no money to fight corruption, the Comptroller's Office is disabled, and due to the lack of surveillance and punishment, it is predictable corruption will increase."

The vice president attended the inauguration of the eighth period of sessions of the National Assembly, but stayed away from the cabinet members.

[Larios] Are your relations with President Chamorro improving or are they getting worse?

[Godoy] "There is no reason for them to get worse or improve. They are the same as they have always been. They are on the same level as they have been for years."

[Larios] In other words, bad?

[Godoy] "If that is the way you describe them you must have your reasons."

[Larios] How would you describe them?

[Godoy] "Normal."

Godoy described the president's Address to the Nation as "very concrete; 10 minutes were enough."

[Larios] What is your opinion of the president's call for the formation of a great patriotic alliance?

[Godoy] "A great patriotic alliance is something that we are all interested in; however, we do not know what it is all about."

The vice president of the Republic said that the National Assembly's agenda for 1992 "will be full;" however, he refused to admit the existence of a new forces within the National Assembly.

"The topic of property will continue to surface from time to time at the assembly," Godoy, for whom a group of UNO [National Opposition Union] deputies who support a center option "does not exist," warned. "I know nothing of the emergence of a centrist group; the correlation of forces is the same as it was last year," Godoy said ignoring the strength of his centrist fellow party members.

[Larios] What is your opinion of the idea expressed by President Chamorro regarding the solution to the property problem?

[Godoy] "It is the same as last year's idea."

Despite all this, Godoy agrees with the president, who has said that the mechanism to expropriate and sequester property suggested by a radical sector of the UNO is not good. "Giving our blessing to a pinata is not good either," the vice president added.

In conclusion, Godoy talked about the problem of the recontras and the recompas. He said that the solution "will depend on what General Humberto Ortega says as he is the one who agrees with the mobilization of the recompas throughout the country." Godoy said that he had no proof of this.

Minutes earlier Gen. Ortega had rejected charges that the Army is supplying the recompas and demanded that those who are making these charges present proof. Ortega described those who are making those charges as "irresponsible," and warned that the Army could use its laws to defend itself from those attacks. He said the Army could sue for slander.

* FSLN Support of Government Policy Explained

92CA0064A Managua EL NUEVO DIARIO in Spanish 24 Dec 91 p 4

[Unattributed commentary: "The FSLN's Message"]

[Text] By virtue of its own specific weight in the country's ratio of political forces, the message of the FSLN [Sandinist National Liberation Front] takes on special importance for the entire nation, particularly in terms of leading the nation down the path toward solving the problems confronting us.

The FSLN has resolved to help achieve economic and political stability by supporting the government and by calling on other parties to do the same.

The position taken by the main opposition party has earned it criticism from a number of internal sectors which see in it nothing short of an abandonment of its own principles and program in defense of the lower classes amounting to virtual surrender to the bourgeoisie.

If one takes a more objective view and given the gravity of the crisis facing us, the Sandinist Front's position is consistent with the times in which we are living, which require that we put aside partisan interests in order to prevent the boat in which we are riding from sinking, following which nothing would be left to do!

It obeys an irrefutable logic that in no way implies abandonment of the workers' immediate, strategic interests, which must be taken up by their specific organizations in order to arrive at the right solutions.

It is an absolute fact that it has to date been the workers who have borne the burden of measures adopted by the government in its fight to check hyperinflation, but one must not lose sight of the harmful work of rightest reactionaries who try to sow chaos and anarchy in order to assume power through a coup d'etat. This would mean the crushing of the people's organizations and indefinite postponement of the aspirations of workers and peasants.

That is why we believe that what is most fundamental at the present time is to support those moderate attitudes of the government aimed at preventing the country's total collapse, realizing that once this objective has been achieved, the lower classes will be in a better position to improve their economic situation, particularly insofar as fighting unemployment and poverty in general are concerned.

The move to form the National Front obeys the need to thwart the reactionary rightist conspiracy, uniting all democratic and revolutionary forces in a powerful movement that will neutralize all those who promote terror for the purpose of destroying the emerging democracy that has cost the Nicaraguan people so much blood and sacrifice.

We therefore view the proposal put forth by the Sandinist Front as a positive one that deserves the support of all democratic sectors, led by the workers.

* Commentary Analyzes Year of Transition

92CA0064B Managua BARRICADA in Spanish 27 Dec 91 p 3

[Article by economist and sociologist Oscar Rene Vargas]

[Text] The Transitional Accords (March 1990) and the strategy of the National Dialogue (October 1990 and August 1991) have made it possible to establish a bridge between the Sandinist Government and the new government and engendered a political model in accordance with which both parties pledge to respect essential aspects of the established connstitutional order and accept economic and institutional transformations contained in the program of the new government.

The overall framework in which the current Nicaraguan political system operates is one of a polarization of society within which we are witnessing a reorganization of social forces that will determine not only the economic alternative, but the very viability of the democratic model's development and consolidation or a return to old dictatorial patterns.

Within such a general framework, the various participants have evolved as follows in the course of 1991:

Government

The Cabinet appointed in January 1991 reflected an alliance between Antonio Lacayo and Alfredo Cesar. Appointments to the principal posts in the different ministries were made in an effort to strengthen that alliance. Cesar's election to the Presidency of the

National Assembly pointed to the victory of the "Las Palmas Group" over the political line of Vice President Virgilio Godoy.

One year later, the alliance between the minister of presidency and the president of the National Assembly displays major cracks. Cesar's presidential aspirations have caused him to distance himself from his former allies and to try to find a way to unite the Nicaraguan right.

Cesar tried to take advantage of his term as president of the National Assembly in order to become the leader of the right and win the social base which Godoy and Arnoldo Aleman have cultivated. In his fight to become the "pretender to the throne," Cesar intensified the political fight in Nicaragua, broke up his initial alliances, and began to weave others. However, the policy of confrontation promoted by the president of the National Assembly convinced large groups of Sandinists of the political wisdom of maintaining their support for the minister of presidency.

Following his partial defeat on the Property Law, Cesar has been somewhat beaten down, politically speaking.

One would therefore anticipate an intensification of his action aimed at "torpedoing" Lacayo's policy of dialogue. In keeping with that logic, one must interpret the "retreat" or Montelimar Pact with groups close to Godoy and Aleman.

Cesar knows that the Executive Branch's Cabinet appointments in January 1992 will tend to consolidate a parliamentary group "of the center" enabling it, together with the FSLN, to obtain a more stable presidential majority, thereby eliminating any front-line protagonism.

The main purpose of the Cabinet shakeup is to ensure political dialogue with the FSLN and economic stability that will foster private investment. Based on these two premises, a social program will be drafted to prevent the social burden of the economic adjustment from unleashing uncontrollable social disturbances helping the Montelimar Pact.

Montelimar Pact

Godoy has observed the struggle between Lacayo and Cesar almost without comment, allowing them to wear each other down. He thinks he is one of those sure to benefit politically from such a break, but the factional struggle has in fact helped Aleman, in whom the most backward sectors of the bourgeoisie have more confidence.

Godoy's tactic is to support Cesar and thus weaken Lacayo. If Cesar ends up losing the battle, he will only have lost an ally and eliminated a rival. Whatever the case, Cesar is no more than a tactical ally and whichever final outcome will eliminate one of the future competitors in the coming elections.

Nicaragua's difficult economic and social conditions force Lacayo to face Cesar and UNO [National Opposition Union] factions on the far right as soon as possible in order to promote social policies consistent with any political alliances he initiates in a more stable fashion in making up the new Cabinet. In addition, the confrontation with Cesar puts pressure on him to organize, sooner or later, a National Assembly center bloc in order to ensure a presidential majority.

Cesar's refusal to negotiate a mutually acceptable way out via the Property Law and the formation of a new alliance through the Montelimar Pact left Lacayo with the possibility of shuffling the Cabinet based on new alliances.

Catholic Church

The Pastoral Letter of the Bishops of Nicaragua, published in the daily LA PRENSA on Sunday, 24 November 1991, introduces elements of pressure into the composition of the new Cabinet and concerning the existing political model.

The bishops support a reduction in military spending "...benefiting productive investments, investments to improve social programs, and wage increases for the neediest...." This is an element that will help the new alliance of Cesar, Godoy, and Aleman who seek, with the support of the United States, to eliminate General Ortega as head of the Army and also as one of the pillars of the existing political arrangement in Nicaragua.

In addition, the bishops state that the current political arrangement, which emerged from the Transitional Accords and the National Dialogue, has resulted in "...a government that seems incapable of administering justice and gaining respect." However, the bishops point to hegemonic sectors of the FSLN as destabilizing elements in society because they call for an "...irresponsible incitement to violence and insurrection." They therefore ask the government to break off that alliance.

According to the bishops, no state of law or social stability has been achieved because "...there is no executive arm to support and defend governmental decisions and ensure respect for the nation's laws." The bishops favor a change in the current political arrangement, which implies backing the alliance of Cesar, Godoy, and Aleman and a reorganization of the Army, introducing "Contra" elements into the Armed Forces, which would generate even greater instability in Nicaraguan society.

Army

For his part, the head of the Army has developed his own political strategy based on the Transitional Accords: preserving the institution, whatever the cost. By maintaining the institutional spaces, he has sought to safeguard his own power to influence society. In actual fact, the Army has been transformed into one that seeks to support the most progressive sector of capital.

General Ortega also wants to encourage the military institution to play an active role in the possible expansion of capitalism. His relationship with Taiwan, which aims to develop the forests and possibly set up an Army

bank like those in Guatemala and Honduras, would almost automatically assure the Army of a new role in Nicaraguan society, one naturally very different from the vision Ortega had in the 1980's.

Nevertheless, his Achilles' heel continues to be the American Government's opposition to his appointment as head of the military institution, expressed in the political determination of the most reactionary sectors and UNO [National Opposition Union] deputies constantly seeking to torpedo it.

Sandinist Front

With the election defeat of February 1990, the FSLN entered another crisis manifested in the need to find new strategies enabling it to return to power. Large segments of the party have begun to publicly express positions different from those of its own political leadership.

Many thought the FSLN Congress would be used to substantially renew its political leadership. However, the political immutability of its main leaders was imposed, preventing the wide-ranging renewal which the rank and file and intermediate cadres were after.

After the congress, the FSLN failed to draft a clear and precise strategy on the current government's policy. Pragmatism abounds in the ranks of the Sandinist leadership. Although no one accepts the existence of at least two main factions, they nevertheless exist.

This is the context within which FSLN General Secretary Daniel Ortega works, following the policy of a pendulum that swings from confronting the government to criticizing National Workers Front (FNT) leaders for not understanding the new social and political reality of Nicaragua.

Unions

Compared with 1990, 1991 has brought a loss of political space and influence in society for the organized labor movement. In 1991, it paid for mistakes made by the union leadership in 1990, which used the general strike and takeovers of workplaces as the only tool for defending wages and jobs.

Despite greater unemployment (53.5 percent open and concealed unemployment in October 1991), the unions have lost their aggressiveness and fighting spirit. There were fewer strikes than in 1990, both in terms of total number and the amount of workers mobilized. Unemployment has hit wage earners and the response has been the demobilization and a certain splintering of the trade union movement. Many unions have broken off ties with existing trade union confederations. Independent unions with no strategic vision have begun to emerge, which helps the current government's adjustment policy.

The profound reorganization that both capital and the government have begun to promote in the guise of modernization has provoked no response from wage earners. The only trade union leadership has entered a crisis, failing to offer alternatives in the form of labor union fights adapted to existing political and social conditions.

The incorporation of Contra sectors into the Cabinet was an attempt to neutralize armed activity. However, after 20 months of government, this so-called "Recontra" has one direct political beneficiary: the Cesar-Godoy-Aleman alliance. The right is trying to legitimize the armed activity of the Recontra in order to weaken Lacayo's policy of dialogue. For this purpose, the activity of 300 individuals is legitimized by the communications media controlled by the right. The same political weight is given to the 300 Recontras belonging to the "Indomitable" as to the 20,000 Contras who laid down their arms in June 1990.

The Recontra's armed activity is also for the purpose of hurting economic recovery by boycotting the coffee harvest in the northern regions of the country inasmuch as they believe that without economic recovery, the possibility of social disturbances will be all the greater.

Reports that the Recontra has a rearguard at the El Aguacate base in Honduran territory shows it has the support of the most reactionary rightist sectors that supported the Resistance from abroad. The tactic of keeping up the Recontra's armed activity is an attempt to have one more card to play in making up the new ratio of forces being promoted by certain groups in the American Government. Will that be the role of their new ambassador?

Conclusions

1—The possibility of securing social peace in Nicaragua depends on improving the current political arrangement by eliminating the most reactionary sectors, whose sole promise is entry into the vicious cycle of crisis-stabilization-crisis.

2—The partial defeat of the right in the National Assembly does not signify an inability to take measures. The Montelimar Pact indicates that the right will continue to put pressure on the government at the outset of the new legislative session.

3—Turning the issue of property into the basis on which the FSLN would operate resulted in a failure to offer alternatives to government policies. FSLN leaders must call for wide-ranging debate in order to draft a policy that will overcome the pendular pragmatism now prevailing.

4—The Army has been transformed and now promises "to guarantee order and security." In less than two years, it has begun to show clear signs of its denaturalization (which I previously pointed out in a book entitled "Where Is Nicaragua Headed?").

5—The labor movement is clearly divided between those who work (653,000 persons) and those who do not (747,000). Those with full-time jobs are also divided among the different trade union confederations.

6—All signs indicate that the government of the United States still does not accept the current political model set

up in Nicaragua and would favor a policy similar to what the Montelimar Pact would impose.

* Amnesty Decree Called High Price for Peace

92CA0064C Managua LA PRENSA in Spanish 23 Dec 91 p 4

[Commentary by Horacio Ruiz]

[Text] Christmas 1991 finds Nicaragua at peace, a peace for which the Nicaraguan people have sacrificed their blood and sweat for decades. For years they subscribed to Somocism and endured the misery of war and the pain of family losses in order to destroy a dictatorship. To the dictatorship which emerged from the Somoza larva even larger, we Nicaraguans have had to pay still more in terms of poverty and the suffering of mothers who watched their sons go off to yet another interminable war. We paid more in terms of economic assets belonging to all Nicaraguans, assets which are apparently gone for good as a result of the defeat of the Sandinist dictatorship at the polls, following which they divided up the booty! Furthermore, we apparently paid a specific value in hard cash when the National Assembly approved the "pinata," the most scandalous looting of national property in our entire history, a vote officially encouraged by the Executive Branch. Now we must pay a further sum in the form of enormous material damage inflicted by the most recent Sandinist attack during which they set fire to nothing less than the seat of government in the city of Managua!

Sandinist leader Daniel Ortega screamed for amnesty for all those participating in this orgy of destruction and theft, and amnesty was granted even before the echo of his demands had died down. In other words, it was one more payment we Nicaraguans had to make in order to obtain peace. The question is this: Have we now bought peace for good? Have we paid the final installment, or have we just made one more payment?

We are sorry to say that forgiving and forgetting so suddenly is disturbing when the very persons suspected of participating in the violent day of 9 November have not even been arrested and officials are only trying to order a trial.

It is not that we are inclined toward "revengism," a word much in vogue in Nicaragua and which no one even remembers was personally invented by Stalin to identify and eliminate his critics.

It is simply that we stubbornly persist in believing that a country can be governed by the same standards as a happy home. A nation is unfortunately a more complicated cosmos and requires the effect of law, justly applied, in order to maintain a balance.

Amnesty is a very beautiful act of nobility if used when those guilty of what is being forgiven are already removed from the acts committed and have at least shown a tinge of remorse. But in the case at hand, today's amnesty coincided with more appeals from the leaders of the previous attacks to plan new actions. Confronted with such a situation, it is not at all strange that the 9 November rioters should arrogantly claim credit for the actions and stopped them when they deemed fitting, judging that sufficient damage had been done. Even worse, today's amnesty runs the risk of being misinterpreted because the attacks faced by the UNO [National Opposition Union] were a combination of a political demonstration and run-of-the-mill looting. In other words, any gang can hoist a flag, tie scarves around their faces, and attack and steal public property on the eve of another amnesty in less than two months, secure in the knowledge that they will not even go to jail. The peace we now enjoy is welcome, but a shadow hangs over it due to the fear that it was bought at a tremendous price: the total submission of the same government that dictates it. A wild animal cannot be domesticated by throwing in pieces of meat every now and then because when the meat is gone, the animal will achieve its purpose, which is to eat the one who has been feeding it. For those truly enamored of peace and justice in Nicaragua, we say: Glory to God in the highest and on Earth, peace.... But let it be a genuine peace that is the culmination of the decades-long sacrifice of the Nicaraguan people. Let it not be only a rented peace for which we shall have to pay even more at some future undetermined point in time when we may perhaps not even have the resources to fork over for it.

Panama

Report Says U.S. Soldiers Illegally Transferred

PA1301011492 Panama City EL SIGLO in Spanish 12 Jan 92 p 25

[Report by Rogelio Martiz]

[Text] According to a source linked to the U.S. Southern Command who wishes to remain anonymous, the three soldiers involved in the shooting incident with National Police units at 0140 on 5 January near La Cuchilla, Calidonia, may have been transferred to the United States to avoid a confrontation with the Panamanian legal system. This openly violates the Torrijos-Carter Treaties.

U.S. soldiers Jeffrey Scaggi, Eric Hurt, and Paul Porreca [names as published], may have been evacuated to the United States from Howard Air Force Base along the Canal Zone's Pacific coast to prevent them from appearing before the Panamanian authorities, worsening even further the people's anti-imperialist tensions.

Apparently the shoot-out was between the occupants of two vehicles, all of them Southern Command soldiers based in the Canal Zone. They later fled to Howard Air Force Base where one of the vehicles involved in the shoot-out was found. The Public Force patrol car that arrived at the scene of the shoot-out met with gunfire, but none of the occupants were wounded. Reynaldo Rodriguez Pena, 38, however, was struck by a bullet in

his left leg while inside a telephone booth. He was treated at the Santo Tomas Hospital emergency room.

Unofficially it was reported that the three U.S. soldiers were under detention at the Kobbe Army Base, but up to now not even U.S. Ambassador to Panama Deane Hinton has agreed to verify the soldiers' whereabouts. It is a foregone conclusion that they were transferred to the United States.

The situation becomes tense due to the constant presence of armed U.S. soldiers in areas of Panama City considered very dangerous due to drug trafficking and consumption. Approximately three months ago a member of the National Police shot to death U.S. soldier Hailemikael M. Childs as he traveled the wrong way down Ancon Avenue in a vehicle with its lights off. An order to halt was disregarded.

U.S. Soldiers Involved in 'New Incident'

PA1401151092 Panama City Radio KW Continente in Spanish 1200 GMT 14 Jan 92

[Text] A new incident involving U.S. soldiers occurred early 14 January when a gray Trans Am vehicle, license plate No. 109888, fired at patrol car 37 in the San Felipe area. The vehicle was parked at the Bunker [site where alleged drug deals are made] near El Rancho, the same place where a U.S. soldier was recently killed after ignoring a call from a Panamanian patrolman to halt.

According to our reports, this is the same vehicle involved in the incident in which Juan Arauz, a Panamanian policeman, shot a U.S. soldier.

Pursuit started immediately, but was stopped near Howard Air Force Base because the car had entered territory outside Panamanian jurisdiction. It is not known if arrests were made.

According to our source, the driver and policeman at the Howard checkpoint are the same as those involved in the previous incident between Panamanian policemen and U.S. soldiers.

We expect the National Police to release a statement on this incident, one of several provoked by our Canal neighbors.

The gray Trans Am was reported stolen prior to the first incident.

Former Official on Renegotiation of U.S. Bases

PA1401020492 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Jan 92 pp 1-A, 2-A

[Article by Cesar E. Gomez Marin]

[Text] Juan Materno Vasquez, former magistrate and former cabinet minister, has warned that there is much more to the simple "renegotiation" of the treaties and the American military bases in Panama than those who "misrule" us want to talk about. Vasquez said that those who proposed the renegotiation are ignoring the struggle of many generations since the beginning of the nation itself and that 9 January 1964 was the turning point for shaping the Panamanian man.

Vasquez was the last of the speakers at the conference entitled: "Renegotiation of the Military Bases: Does It Favor or Hurt Panama?" The conference was held in the "Jose Dolores Moscote" auditorium of the School of Economics at the University of Panama. The former magistrate and well-known intellectual was invited to speak by the University Students' Committee for the Defense of Sovereignty and he recalled episodes of that patriotic deed of the students, people, and government. Vasquez rendered homage to the martyrs and also mentioned the generation that rejected intentions to sign the "Filos-Hines" treaty on the bases.

In a ceremony commemorating 9 January, the speaker's allusion to the deeds and objectives was a clear message defending national objectives. That message became even more clear when he accused sectors of the oligarchy of making us look before the world like a "nation without a face."

Vasquez said: "We thought this could no longer happen in Panama, but there is still a Panamanian oligarchy that has always been willing to deal away the dignity of the Panamanian people."

Showing off his renown eloquence and his well-known histrionic poses, Vasquez directed his attacks at the sponsors of the "renegotiation" and was equally severe and caustic with the government, the president, and other officials for the lack of a national, more patriotic, and determined position defending the sovereignty, independence, and self-determination of the Panamanian people.

Vasquez said that it is worrisome when people forget to use words and actions to support the "permanent promise to defend the essentials of the fatherland so that the holocausts that cost the lives of their dead are never repeated." He remembered that history shows us the spiritual degeneration of people who thought only in material terms and spoke of "dead civilizations" and "vital civilizations."

Tying expressive rhetoric with quotes from classics and the remembrance of Hellenic deeds, so rich with epics of honor, love for the fatherland, and wisdom, Juan Materno Vasquez pleased the attendants with his cultured, pointed, and caustic speech, full of anecdotes, which framed his lecture on the "renegotiation of the bases and treaties."

In his brilliant improvisation, Vasquez remembered Pericles and the Athenian principle that the fatherland is "where you come from and where you are going." Thus, he remembered the struggle of Panamanians for their land and their rights which, since the very moment the Spanish conqueror set his boot on the lands of the isthmus, had the courageous reaction of the Indians

against the abuses. He cited Iturralde's "I do not sell my fatherland," and Mendez Pereira's "let them take their canal, we will eat dignity," as emotional, but nonetheless true and reasoned expressions by those who, like the martyrs of January, are willing to give their blood and their lives for the fatherland's dignity.

Materno Vasquez noted that "9 January is a proof of this." He added that it gives Panamanians "the strength to tell the world that we will not go back to ask for its support in trying to get the United States not to abandon Panama. [sentence as published—no end quotation mark as published]

Materno Vasquez said that to translate the nation's interests into "my interests" is like saying that Don Quixote was crazy for trying to right wrongs, or that patriotic people are crazy for thinking about the nation's dignity. He added that to think in material terms when trying to outline what a nation should be is to lead its people into a spiritual degradation that could put an end to the nation itself.

Using a sarcastic and reprimanding tone, Materno Vasquez asked: And if this is so, why are Panamanians mentally overwhelmed by the mere possibility of "losing a job?"

To this the Panamanians who were present answered with a snicker. Standing on tiptoe over the enormous podium for the umpteenth time, Materno Vasquez gesticulated theatrically as he emphasized that from a sociological viewpoint "that is what happens to Panamanians who understand the nation's history in an apocalyptic manner."

Materno Vasquez said that there is a paradoxical contrast in the attitude of our leaders as far as time and space are concerned. Thus he compared the attitude of Buenaventura Correoso [not further identified] at Santa Ana square when he announced the trial of the Panamanian rebels to the central government in Bogota, Colombia, and the government's attitude in the face of [former] Colonel [Eduardo] Herrera's uprising in December 1990. Materno Vasquez stated: "Nothing can justify injuring the nation's dignity. Democracy cannot justify this and neither can power."

Materno Vasquez praised the patriotic act commemorating the events of 9 January. He considered this act a warning to the Panamanian people's conscience, in a country where not even "a patriotic person's yawn" had been heard in a long time.

Materno Vasquez referred to the repeated actions and attitudes adopted by U.S. authorities and representatives in an effort to interfere in the problems that should only concern Panamanians. He called for a stronger and more patriotic attitude from Panamanian authorities, an attitude that should erase the "shyness and fear of making the proconsul uncomfortable."

However, Materno Vasquez expressed a greater preoccupation with the ruling class and other classes that have been mentally colonized by interests or by the habit of being subjected, and added that this is the legacy that the colonizers leave behind in those countries from where they have been forced out. Those classes will continue to longingly respond to the empire's interests and respect them with reverence.

In the face of this possibility, Materno Vasquez suggested, as a counterproposal, to promote our history, the history of our forefathers, and that of our martyrs. He also suggested that we should edify places to commemorate our heroes and all of those people who constitute a part of our nation that cannot perish because "it is sad to say that here in Panama we do not pay homage to the heroes of the nation. The few places that we have for this purpose are in a state of decay." In a tone that was clearly pompous, Materno Vasquez added: "That is why we do not have a collective memory," and that is why now that the treaties have to be observed, there are some who say that "the gringos must stay," and we hear expressions such as "Panama exists for and because of the canal" and "the country in the interior and the country of the canal." He added: "But today we have begun to react to all this."

Argentina

Institute Issues Statement on UK's Intentions

PY1401212092 Buenos Aires BUENOS AIRES HERALD in English 14 Jan 92 p 11

[Text] (NA)—The Malvinas and South Atlantic Islands Institute stated yesterday that Great Britain's intentions regarding the exploitation of hydrocarbons in the islands and surrounding waters "extend beyond the supposed 'umbrella protection' and places the sovereignty dispute in a critical situation."

Through a press communique signed by its vice president, Rear Admiral Carlos Buser, the institute asserted that "before they (the British) address the question of hydrocarbons they must first recognize our sovereignty; this is fundamental."

The press statement continues: "If the existence of those oil deposits is confirmed, we can be sure that Great Britain will not let that wealth go and that they will not speak further about sovereignty, as they do now. All arrangements will be made so that the islands remain under their control forever."

After warning about the danger of losing the possibility of demanding Argentine sovereignty over the Malvinas, the Institute urged Congress to exert "control" over the actions of government officials in charge of the matter, so that, it contended, "national interests are not degraded."

IMF Tax Objective Reportedly Achieved

PY1401175092 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 14 Jan 92

[Text] The tax objective has been reached. Argentina has complied with the guidelines promised to the IMF during the last half of 1991. A positive result of $1.735 billion was achieved between October and December 1991.

Minister Evaluates Economic Situation

PY1401120292 Buenos Aires TELAM in Spanish 1406 GMT 13 Jan 92

[Text] Buenos Aires, 13 Jan (TELAM)—Economy Minister Domingo Cavallo has admitted that "one possibility" in the foreign debt negotiations is to request a 37-percent capital reduction because it is a "reasonable" request. He indicated that Argentina "has not yet established the amount of the reduction to be requested to the creditor banks."

Cavallo also "completely" denied press reports about the payment of $500 million in overdue obligations. He said: "We cannot use the funds needed to support the monetary base to make payments."

In declarations broadcast by ATC [Argentina Televisora Color], Cavallo said: "What will probably increase our current monthly payments after we close the negotiations or after we reach an agreement."

He said: "We will decide later this month, one or two days before making the formal proposal to the banks, the percentage of the reduction and the interest rates to be requested."

Cavallo added: "We want to make a realistic proposal on the basis of what Argentina can pay and also from the realistic viewpoint of what the banks can accept. We want to quickly progress to avoid long, repetitive negotiations."

He said: "The requested reduction will depend on the interest rate, but basically the important point is how much we will pay over five or six years. This will be a period during which we will have to make a great investment effort to recover growth in Argentina."

Cavallo said: "Argentina can obtain a primary surplus of approximately $200 million per month, which is the amount it collects minus the expenditures that do not include interest. This surplus represents $2.4 billion a year."

He explained that of this amount only a portion will go to the commercial banks, the rest will be used to pay debts with the World Bank, the IMF, the IDB [Inter-American Development Bank], and with the creditor governments of our country.

Cavallo believes that "the overall plan may be accepted, but this does not mean that immediately after the proposal is approved everything will be alright. There is a favorable environment for a quick solution to the Argentine foreign debt."

Answering a question on the effect of the corruption charges on negotiations, Cavallo said: "Our 1991 economic results were praised abroad. The feeling was that we were working in a much more orderly manner as a government team, that internal disagreements had been reduced."

Cavallo said, however, that this year he is "a bit concerned" about the possibility of "the illusion of some kind of internal struggle. I really do not believe that this will reappear."

As an example of this type of situation, Cavallo mentioned the appearance of Presidential General Secretary Eduardo Bauza, who is linked to the cancellation of a bid that was won by the U.S. firm GTE to provide a communications system for the presidency. The bid was canceled "because there was no budget."

Cavallo admitted that it was "a mistake" to invite the companies to bid and make proposals. He added:, "The note submitted by the presidential secretary which states that the communications of the presidency should be separated from the communications of the Armed Forces was made in April 1991. The fact that the name of an official appeared sounds to me like some kind of internal struggle."

He added: "I do not discard the possibility that some lower official wanted to promote some kind of internal confrontation and mentioned the name of an individual who has nothing to do with this issue."

Regarding GTE, Cavallo said he believes "the same procedure as with Enron in 1989 should be followed," referring to the annulment of a government decree under which that U.S. firm was to have received YPF [Government Oil Deposits] natural gas at a price that represented a loss for YPF.

He said the contract was never signed and an agreement was reached in 1991 that explained that our country "was changing the rules of the game to improve the organization of Argentina and that the decree was a continuation of previous methods." He added that Enron is currently buying "from YPF at profitable prices, and it plans to participate in bids to build electrical power stations."

Cavallo labeled the "high increase in medicine prices as worrisome." He added: "If the laboratories are acting irresponsibly, we will intervene and stop them."

Cavallo said: "The greater their irresponsibility, the harsher will be. No one can play with the needs of an individual who wants to buy medicine. He said that he held talks with Julio Cesar Araoz, health and social action minister, and officials of the Industry and Commerce Secretariat "to change the regulations governing the prescription and sale of medicine."

Cavallo also estimated that there are "more than one million Argentines who hold more than $100,000 in cash that is not being used in productive activities in Argentina or abroad" and on which they must pay a 1-percent tax. He added that "very few people have paid" that tax.

In this regard, Cavallo said: "We will be very strict" on tax payments appropriated for the pension fund." He added: "We will publish a book on who is who in tax matters."

Cavallo said: "In the case of the pensioners, the other side of the coin is that there was no concern over controlling what was collected, and there is evidence of demagoguery in getting pensioners into the system." The money has to be distributed "among many people, and many injustices have resulted."

Cavallo told industrialists that an eventual deficit in the trade balance due to increased imports, if it happens, "will not result from excessive expenditures in the public sector but from excessive expenditures in the private sector. This is why controls on the enforcement of tax laws are being increased because taxes are the only way the public sector can prevent the private sector from spending more than what is reasonable."

Regarding price increases, Cavallo said: "Some prices increase; others drop. This is the difference between now and when we had very high inflation rates." As an example, he mentioned the price of gasoline and diesel fuel, which dropped 3.6 percent between December 1991 and January, along with other fresh products, while wheat and flour prices increased.

He said the increases are the result of "market fluctuations." He reiterated that salary increases should be based on production.

Regarding reporters, Cavallo said that "I am not being disrespectful," but sometimes they "have good information, and sometimes when they do not, they invent or imagine information." He pointed out that "there are many people inside and outside the government who use reporters to send messages. He said that they are called "goats."

Cavallo said that he has "a high opinion of Argentine reporters," commenting that "there are things for which reporters cannot be blamed. These include the rules of the game within which reporters used to work. This "began when there was no democracy and there was internal struggle within the military governments."

Cavallo admitted that "we are not giving the necessary information to local reporters as we should." He noted that he already gave instructions to provide complete monthly reports on details related to fiscal matters.

Manzano Says Government Path Not To Change

PY1301221492 Buenos Aires TELAM in Spanish 1341 GMT 13 Jan 92

[Text] Mar del Plata, 13 Jan (TELAM)—Interior Minister Jose Luis Manzano admitted the existence of a campaign against the government regarding the "future negotiation of the foreign debt," but asserted that "the path taken will not be modified."

Manzano, who today left Mar del Plata, where he visited President Carlos Menem—who was resting in Chapadmalal, yesterday added: "We are completely certain we have taken the path set by the Argentine people."

Manzano referred to a report published in yesterday's CLARIN that refers to the "resistance to parliamentarian supervision and states that a campaign will be launched against legislators and officials due to the supervision of intelligence services, and I believe some issues are moved by the future negotiation of the debt."

Manzano stressed: "They are not going to destroy what we are achieving with such success." He told LA CAPITAL daily that "we are doing things consciously, honestly, and firmly, and we are not going to change. The people are enjoying a climate that some are determined to change, but they will not be successful."

Manzano said that "only the courts can pass judgment" on charges made by National Deputy Juan Pablo Baylac of the Radical Civic Union. He added that "the Peronist governments have been the target of similar charges, but we have great strength."

Manzano recalled: "Not long ago we enjoyed great support from the electorate. Polls show that our government today enjoys greater popularity than on the day of the elections. There are those who acknowledge this but will use any resources they may have at hand. Since they have no other way to question our policies, because they are correct, they resort to making charges. But we are very calm, very determined in the path set by the president."

Minister Comments on Energy Privatization Law

PY1001233392 Buenos Aires TELAM in Spanish 0132 GMT 10 Jan 92

[Excerpt] Buenos Aires, 9 Jan (TELAM)—Economy Minister Domingo Cavallo has announced: "The law establishing the rules and regulations for privatizing the Argentine power industry and authorizing the executive branch to privatize the entire state power industry has been promulgated. Congress has been studying this since April 1991."

During the news conference Cavallo also announced an increase in utility rates. He explained: "The utility rate increase for consumers should not be more than an average of 2.5 percent." He added: "The biggest increases will not surpass 5 percent." Minister Cavallo said: "Some consumer and residential rates will drop. There will be no readjustments" on industrial rates.

Regarding the recently promulgated law, Cavallo said: "We have only vetoed some paragraphs of Article 93 of this law. We believe they are unconstitutional because under these paragraphs the legislative branch assumed some exclusive attributions of the executive branch."

Cavallo assured, however, that "the law that has been promulgated is very good." He said the congressional committee will participate as established in the Government Reform Law. Cavallo added: "The technical specifications for two new Segba [Greater Buenos Aires Electrical Services] power plants in Puerto Nuevo and Nuevo Puerto [as received] have already been submitted to the congressional committee for study."

Cavallo said he hopes the bid will be ready by the second half of January "so these two power plants can be in private hands by April or May." He added that this will be "the first of a virtual chain of bids for all Segba power installations and water and power plants."

Cavallo said that within two weeks the government will submit to the congressional committee and the Sigep [General Syndicate of State Enterprises] the bid for the power distribution system currently handled by Segba. He said: "The distribution of power now handled by Segba will be absorbed by two companies that are in the process of being established." [passage omitted]

Bolivia

Andean-American Drug Meeting Closes 13 Jan

PY1401155492 La Paz Radio Fides Network in Spanish 1100 GMT 14 Jan 92

[Relay from Santa Cruz]

[Excerpt] The Second Andean-American Inter-Parliamentary Meeting closed here yesterday with a call to increase efforts against drug trafficking, seeking to eradicate it worldwide.

A common position was outlined for Cartagena 2, as the upcoming summit of Andean presidents and the U.S. President is commonly known.

Alejandro Gaston Encinas Gomez, president of the Chamber of Deputies and one of the sponsors of this meeting, demanded unity and a consensus in the fight against drugs in order to prevent this problem from continuing as the biggest problem of the 21st century.

He added that Bolivia upheld three concepts during the meeting: The conviction that Bolivia has shown its political decision to fight drugs; the need for greater shared reponsibility with industrialized countries; and finally, the urgent need to continue the alternative development program as a solution.

Carlos Calvo is president of the Confederation of Andean Businessmen and of the president National Confederation of [word indistinct] and also one of the sponsors of this event. He insisted on the need to make the economy healthy because the [words indistinct] industrialized countries contribute more to the fight against drug trafficking. [passage omitted]

Increase of Sugar Export Quota to U.S. Sought

PY1401143692 La Paz Television Boliviana Network in Spanish 0200 GMT 14 Jan 92

[Text] One of the basic tasks being attempted by the Industry and Commerce Ministry seeks to expand the Bolivian sugar export quotas. Industry and Commerce Under Secretary Jorge Paz Navajas referred to the importance of that negotiation:

[Begin recording] We have proposed increasing the preferential sugar export quota on the U.S. market. The UN council is also dealing with this matter. On that occasion we were asked to submit statistics to prove that Bolivia can access that preferential quota, increasing the sugar exports. We have completed the work and we have sent a complete statistics report in which we prove that Bolivia can access the preferential quota and increase sugar exports to that market.

The documents have been sent to our embassy which will conduct these negotiations. We know that some U.S. congressmen are aware of this issue and are ready to cooperate with Bolivia. [end recording]

Presidency Minister on Presidential Summit

PY1401151292 La Paz Television Boliviana Network in Spanish 0200 GMT 14 Jan 92

[Text] Gustavo Fernandez, minister secretary general of the Presidency, has denied any relationship between the meeting President Jaime Paz Zamora held with the U.S. delegation headed by former Ambassador Robert Gelbard, and the upcoming presidential summit.

[Begin Fernandez recording] First, the meeting will be held the last week of February. The place and date of the meeting have not yet been established, although it is known that it will be during the last week of February. The Latin American presidents have already expressed their agreement with that date. The meeting will probably be held in California, but this will be confirmed within the next few days.

We can subdivide the organization of this summit into three stages: First, the preparatory meeting. As you know, the presidents of the Andean Group countries will participate in this meeting. They are Venezuela, Colombia, Ecuador, Peru, and Bolivia. The Mexican and U.S. Presidents will also be present. A total of seven presidents will be present.

The governments of these seven countries are now reviewing a draft document or declaration that the presidents will release at the end of the meeting. This document is circulating now among the participants. [end recording]

Fernandez added that this document will be assessed by a meeting of coordinators of the Latin American countries, Mexico, and the United States, in Quito, Ecuador, between 4 and 6 February. The Bolivian coordinator has not yet been designated although it was said that the designation could be made within the next few hours.

IDB To Finance Peasant Development Program

PY1401170092 La Paz Television Boliviana Network in Spanish 0200 GMT 14 Jan 92

[Text] Leaders of the Peasant Development Fund have met with IDB [Inter-American Development Bank] Chairman Enrique Iglesias to explain to him the rural development projects this institution is implementing in support of Bolivian peasants.

The projects were explained by Hugo Lozano, executive director of the Peasant Development Fund. They will be thoroughly analyzed so that this organization can qualify for financial aid from the IDB although, indirectly, some positive aspects have already been achieved.

[Begin Lozano recording] Most important is the fact that the IDB will finance a $50 million export development program to help the export of agricultural and livestock products. Our government and the IDB have expressed interest in this type of program because it benefits both the business elite, which is the only group exporting at this time, and also the medium- and small-size farm owners. Thus, our government and the IDB have reached an agreement to let the Peasant Development Fund participate in this program and administer the resources to promote exports from the peasant production centers. This is very encouraging because it was not initially included in our program and those resources will certainly be the first to be received through this export promotion program, independently from other additional funds that may come for other programs for the Peasant Development Fund. [end recording]

Siglo Veinte Radio, Cooperative Federation Bombed

PY1401142292 La Paz Radio Fides Network in Spanish 1100 GMT 14 Jan 92

[Relay from Oruro]

[Excerpt] There have been dynamite attacks in Siglo Veinte.

Radio Pio Doce and the Federation of Mining Cooperatives were the targets of terrorist attacks. A report for "La Hora del Pais" from Eduardo Mariscal of Radio Pio Doce in Siglo Veinte, indicates that the explosions only caused material damage. [passage omitted]

Brazil

Editorial on 'Failures' of Bush Visit to Japan

PY1401191292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jan 92 Section 1 p 2

[Editorial: "Role Reversal"]

[Text] The result of George Bush's visit to Japan has ended up being cruel for the U.S. President: For the first time in history a president of a First World power has arrived in another country in an inferior condition, and, worse yet, he returned embittered by the failures, a typical situation for Third World countries.

That Bush traveled with the intent of requesting aid was obvious by the manner in which Japanese Prime Minister Kiichi Miyazawa prepared to receive him: He made an appeal to Japanese businessmen to be receptive to "a friend in need."

Latin American presidents who have often traveled to Washington and other First World capitals also like to receive that type of treatment, provided that it is later turned into concrete actions.

This is, therefore, indicative of the turmoil characteristic of the current times that Bush be treated in that manner precisely by government officials of the country that was practically leveled by the United States half a century ago.

It was even worse for Bush: The agreements finally signed in Tokyo were clearly insufficient. The headlines published by a specialized influential newspaper such as the British FINANCIAL TIMES are very symptomatic.

"Small Gains for Bush in Ill-Conducted Tour," "Automobile Industries Still on Collision Course," and "Trade Surplus Remains as Source of Friction."

In practice, Bush obtained only Japanese promises to double the purchase of U.S. spare parts, from the current $9 billion to approximately $19 billion. But these new numbers will only be valid for the Japanese fiscal year of 1994. Too late for Bush, who needs immediate incentives for the U.S. economy, and especially because presidential elections will be held in 1992 and not in 1994.

The President also obtained guarantees that the number of U.S. cars the Japanese will buy henceforth will increase by 20,000 [as published]. This number is almost nothing when compared with the 7 million vehicles that are sold annually in Japan. Moreover, Bush was unfortunate to faint in front of TV cameras, granting more ammunition to his Democratic rivals.

To reverse the visit's meager results, Bush now must count on the success of the Plan for World Economic Growth launched by himself and Miyazawa in a joint statement signed in Tokyo. The problem is that the plan, for the time being, is just an expression of intentions, without anything concrete that may shake up an overall economic scenario loaded with gloomy projections.

Debt Negotiations With Paris Club Announced

PY1301233492 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 13 Jan 92

[Text] Brazil will resume negotiations with the Paris Club, which is the institution that comprises state credit agencies for creditor countries.

Central Bank President Francisco Gros, Central Bank Foreign Area Director Arminio Fraga, and foreign debt negotiator Pedro Malan are already in Paris, where they will met with Paris Club President Jean Claude Trichet. Those contacts, however, will be preliminary because any definition of the way in which the debt will be repaid depends on an agreement with the IMF.

In order to expedite the agreement with the IMF, another team headed by Planning Secretary Pedro Parente is already in Washington, where it will present a detailed picture of the Brazilian economy.

Brazil expects to reach an agreement with the IMF by next week at the latest. Brazil also expects to immediately thereafter obtain the release of the first installment of the $2 billion loan that the country has requested. In addition, with the acquisition of fresh funds, the agreement with the IMF also will mean a green light for a conclusive negotiation over the debt with the Paris Club and also with creditor banks.

Brazil would like to conclude all this during the first half of 1992.

Foreign Minister on Debt, Private Creditors

PY1401193292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jan 92 Section 1 p 8

[Interview with Foreign Minister Francisco Rezek by JA, identified as special correspondent in Brasilia, place and date not given]

[Text] Foreign Minister Francisco Rezek admits the risk that "this or that economy of a debtor country will be substantially denationalized in the form of investment. It is a question of the annexation of national markets by the creditors, a process that the economists term neocolonialism." Rezek presented only one alternative: That private creditors renegotiate the debt through the pressure of "rich" governments.

[FOLHA DE SAO PAULO] The threat of a social explosion disqualifies the scenario that has been "sold" by Itamaraty, that of a Brazil with a powerful economy in a stable climate?

[Rezek] Brazilian diplomacy is suffering from the effects of the crisis. But I believe that the governments out there have taken note that the social crisis is tending to find a solution while a stable democracy is practiced. The economy has a direct relation with the program to resolve the social problem. There is also a direct relation between the onus of the debt and the programming that has the goal of resolving the crisis. I believe that we have the drive to do this. We have overcome the unfavorable situation regarding the trade sector and are approaching a situation that the country merits.

[FOLHA DE SAO PAULO] With the emergence of megablocs, does Brazil have a strategy to deal with the various interests that are in play?

[Rezek] In the economic field that is the reality. It is a question of taking advantage of the existence of several blocs, which creates a certain climate of competition. Politically, Brazil stresses that it fears the concentration of commercial power. Everyone should avoid any idea of hegemony that would benefit a national flag. It is better to imagine a concentration of power centered in the United Nations. UN Secretary General Butrus Ghali defends the same line as [President Fernando] Collor, in that we should not allow the opening of that axis that has as its most visible effect the resistance to migrations and the escalation of an almost racist nationalism. It is much cheaper to invest in developing countries than to let the situation deteriorate.

[FOLHA DE SAO PAULO] Brazil seems to base its strategy on the hope that the "rich" countries will demonstrate a rationality that has never existed.

[Rezek] If we are going to presume that our interlocutors are unavoidably adverse to rationality, then we should shut the doors and try a homemade type of salvation. But we do not believe that. Unfortunately, we do not believe in the generosity of the rich ones... But, we can bet on rationality in the exercising of a minimum of good sense.

[FOLHA DE SAO PAULO] The debt has transformed the liquidity crisis into a crisis of solvency. Is there not a danger that the Bush initiative will end up meaning the annexation of the Brazilian market?

[Rezek] I admit that there is talk regarding the risk that this or that economy of the debtor country will become substantially denationalized in the form of investment. But I believe in the rational alternative. It will not be long before it will be perceived that the political dealing of the debt is unavoidable. It is known that the outlook of the creditors, especially the private ones, is limited. They do not seem to perceive that if a certain circumstance is preserved then the result is the total insolvency of the debtor. But I believe that the governments will motivate the private creditors in that which they will not do themselves.

* Economic Prospects With CIS Discussed

92SM0202C Sao Paulo GAZETA MERCANTIL in Portuguese 28-30 Dec 91 p 3

[Article by Raquel Stenzel]

[Text] Brasilia—At medium and long range, the dismantling of the Soviet Union and the Emergence of the Community of Independent States (CIS) could bear good commercial fruit for Brazil. This is the opinion of counselor Carlos Antonio Paranhos, acting chief of the European Department of the Ministry of Foreign Relations. He feels that having more players will be advantageous for trade. "When trade is not conducted with just one company or one state, the possibilities for doing business expand," he argues.

Paranhos believes, meanwhile, that it is necessary to wait for a clearer definition of the trade relations which the former Soviet republics will have among themselves, whether they will have a common currency, and what rules for foreign trade will be adopted, before one attempts a deeper analysis of Brazil's commercial future with the CIS and with each of the republics individually.

Trade between Brazil and the Soviet Union was always beyond the possibilities of the two countries. In 1990, trade between the two countries came to $400 million, with the balance favoring Brazil (our exports came to $300 million). According to the counselor, the poor trade was not the result of any lack of political will to increase it, but rather of structural problems, given that the bulk of the Brazilian exports were of products of low aggregate value, primarily raw materials, and given the Soviet insistence on basing its exports on heavy equipment for the public sector and not permitting associations of capital and technology with the private sector.

The first "joint ventures" between Brazilian and Soviet companies were formed only recently: one for the production of orange juice, with Brazilian, Swedish, and Russian capital; and one for the manufacture of Staroup jeans, in Moldavia. This "joint venture" is the only tie that Brazil has with a company that is not located in the Russian Federation.

Paranhos believes that the new rules of the market that should be established with the new independent states could make it easier for Brazilian companies to place processed food products, fruit juices, shoes, leather goods, clothing in general, and banking and commercial automation in these new markets. He acknowledges, however, that the international competition for this markets will be very great.

The conquest of a share of these markets will require added effort by Brazilian private enterprise and by the chancery, which will have to sell a positive commercial image of Brazil to the local companies.

According to Paranhos, the first step will be to recognize the trade possibilities with each of the republics and to determine the areas of interest. Then Brazil should begin to participate in industrial fairs and send business delegations to these new sovereign states.

Within the CIS, Russia presents the greatest commercial possibilities. Hence, the Brazilian diplomat believes, the struggle for this market will be intense. Meanwhile, the other republics could be a means of entry for Brazilian products in the CIS. He cited the Ukraine, the great grain producer, which has already demonstrated an interest in purchasing Brazilian soybeans and exporting equipment for the generation of electric power. "The interests that are emerging will be specific; you will not be dealing with artificial things," Paranhos said.

The recognition of the independence of the former Soviet republics, announced by the Brazilian foreign ministry on 26 December, has already had positive repercussions for Brazil. According to Sebastiao do Rego Barros, Brazil's ambassador in Moscow, the recognition by the Brazilian Government of all the republics was reported in the newspapers and on television in the former Soviet Union.

"We do not assume a professorial posture and we do not make distinctions between the republics based on internal issues. This has already given us favorable political capital, which could bear fruit in our relations with the new republics," Paranhos concluded.

* Principal Diplomatic Documents of 1991 Viewed

92SM0202B Sao Paulo GAZETA MERCANTIL in Portuguese 28-30 Dec 91 p 3

[Article by Maria Helena Tachinardi]

[Text] Brasilia—The Treaty of Asuncion, instituting the Southern Cone Common Market (Mercosul), the comprehensive safeguards accord between Brazil, Argentina, and the International Atomic Energy Agency (AIEA), the "four plus one" accord between the Mercosul and the United States, and the pilot program for the preservation

of the Amazon Region, negotiated with a group of the seven wealthiest countries (G-7) were the principal diplomatic documents signed by the Brazilian Government in 1991.

Chronologically, the Treaty of Asuncion was first. Signed on 26 March, its antecedent was the Brazil/Argentina Economic Integration Program, initiated in 1986. Between 1988 and 1989, the two countries signed 24 protocols in such areas as capital goods, wheat, processed food products, the automotive industry, and nuclear cooperation. These accords were consolidated in a single instrument, known as the complementary economic accord-14, signed in December 1990. In July of last year, with the change in the economic programs of Brazil and Argentina and the adoption of new criteria for modernization and competition, presidents Fernando Collor and Carlos Menem signed the Buenos Aires act that established 31 December 1994 as the deadline for the definitive formation of the common market between the two countries. In August 1990, Paraguay and Uruguay were invited to join the process in progress. Finally, on 26 March 1991, the four countries signed the Treaty of Asuncion, creating the Mercosul.

On 20 June, the Mercosul countries and Ambassador Carla Hills, the trade representative of the White House, signed the "four plus one" accord, ending a negotiating process that began shortly after June 1990, when President George Bush announced his plan for the Americas—"Enterprise for the Americas Initiative"—encompassing proposals for the hemisphere in the areas of trade, debt, and investment.

Brazil fought to have technology as the fourth item, but did not succeed in having it included in the document signed in Washington.

Rich Countries Prepared to Assist Amazon Region

The Bush proposal has as objectives the formation of a free trade zone from Alaska to Tierra del Fuego, the financing of manpower training programs and technical cooperation in the area of investments, and the reduction of the stock of the official debt with the United States, through "swaps" operations. This policy was adopted to benefit the countries which are implementing liberalization policies and which have understandings with the IMF, the commercial banks, and other multilateral credit organs.

The comprehensive safeguards accord with the AIEA, signed in Vienna on 13 December by presidents Collor and Menem and by AIEA director Hans Blix, is "sui generis" for several reasons, but the principal one is that the two countries will not reveal their technological secrets.

The signing of the document made a good impression on the international community and, according to the Brazilian authorities, will give Brazil and Argentina easier access to dual-use technologies (for civilian and military purposes).

The first step in the safeguards accord with the AIEA was the agreement for the exclusively peaceful use of nuclear energy, signed by the two countries in Guadalajara (Mexico) during the first Iberian-American summit meeting in July. This accord instituted the Brazilian-Argentine Agency for Accountability and Control of Nuclear Materials (ABACC), the organ responsible for representing the two countries before the international body headquartered in Vienna.

The pilot program for the preservation of the Amazon Region was born of a suggestion made by the G-7 at the Houston summit meeting in July 1990.

The industrialized nations announced that they were prepared to cooperate with Brazil in the preservation of the Amazon Region. An interministerial commission was formed soon afterward, comprising the Special Secretariat for the Environment (Semam); the Brazilian Institute for the Environment and Renewable National Resources (Ibama); the ministries of the Economy, Infrastructure, and Foreign Relations; and the secretariats of Regional Development, Strategic Affairs, and Science and Technology. In November 1990, the World Bank and the European Community sent a technical mission to Brazil to discuss the pilot program. In December, in Washington, there was a tripartite meeting in which the government presented a preliminary proposal. Other meetings took place in Brussels and in Rio de Janeiro and the final version of the proposal was presented at the meeting of the G-7 in London in July.

At the meeting in Geneva a few days later, Brazil received the political support it had sought, although not all the financial resources are new, as the government had hoped. A good part will be accounted as funding from the bilateral cooperation—principally with Germany—which has already been negotiated with the government. Of a total of $1.5 billion, provided to carry out the three-year pilot program, it was established in Geneva that $33 million in entirely new funding would go to the Fiduciary Fund for the Forests. It was announced that another $217 million would go to bilateral cooperation projects previously agreed upon. These projects will be incorporated in the pilot program after they are submitted to a rigorous technical analysis to make sure that the joint initiative for the Amazon Region, involving Brazil, the European Community, and the World Bank, does not turn into a "crazy quilt," as one diplomat defined it.

In Geneva, the Brazilian authorities preferred to play down the cooperation of Brazil's principal allies in the pilot program, so as not to offend the other G-7 countries, such as Japan, Italy, and France, that have not yet committed funds. After the meeting on 7 and 8 [month not specified], President Collor sent letters to German Chancellor (prime minister) Helmut Kohl and to John Major, leader of the British Government, thanking them for their decisive support for the pilot program.

In his message to Kohl, Collor said that "a decisive factor in this auspicious result was the international leadership of Your Excellency in support of the initiatives for international cooperation in the area of the environment and the disposition of the G-7 countries to provide the necessary financial support to bring about this important environmental protection program in developing countries. The strong commitment of Germany in support of the pilot program strengthens the already existing ties of cooperation between our countries in the area of the environment, exemplified by the accord signed recently on the occasion of your visit to Brazil in October."

In his message to Major, the president stressed that "the personal commitment of Your Excellency to the success of the first phase in the establishment of the pilot program strengthens the existing ties of bilateral cooperation, pointed out so well in your letter to me of 18 November. These ties of cooperation illustrate and strengthen the bonds of friendship and mutual respect that unite our two peoples and that inspire the relations between our two governments."

The government is now waiting for the other G-7 countries to define their contribution to the fund. The United States has already announced that it will increase its contribution.

The North American Government is being pressured by ecological movements and by members of the Congress, such as Senator Albert Gore, who sent a message to the US representative at the Geneva meeting, in which he emphasized the importance of supporting the pilot program.

Collor: No Funds for Welfare Increases Available

PY1101125892 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 11 Jan 92

[Text] President Fernando Collor has said that the government has no funds for paying the 147 percent readjustment on retirement allowances and pensions. The president intends to make this known to the people.

[Begin Collor recording] It is necessary to engage in a debate, in a discussion. Above all it is necessary to explain to the people what is really happening. The participation of Congress in the clarification of such doubts is both necessary and decisive. Congress should summons the members of the administrative structure of the Ministry of Labor and Social Security, it should open the account books of the social security system, so that we may know what is really happening. [end recording]

The president explained that if the courts grant the readjustment, the government will comply, but payments will be delayed.

Plan To Solve Social Security Crisis Rejected

PY1501004892 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 14 Jan 92

[Excerpts] A total of 14 political parties today rejected the government's proposal to increase contributions to the social security system.

A communique was issued today after the government explained its proposal to Congress.

The economic policy secretary and the president of the INSS [National Institute of Social Security] arrived early in Congress but did not leave until 1600. They both listened and spoke a great deal but were unable to convince the deputies. The two government envoys insisted that the INSS deficit amounts to 11 trillion cruzeiros and that the only solution is to increase contributions. [passage omitted]

In the evening, the congressional bloc leaders in the Chamber of Deputies reached a decision regarding the government's proposal. A total of 14 political parties issued a joint communique rejecting the government's proposal. The communique was even signed by leaders of political parties that usually support the government, with the only exception being the PFL [Liberal Front Party] and the PRN [National Reconstruction Party]. An absolute majority in Congress wishes to discuss another alternative to the INSS problem. [passage omitted]

* Azambuja Notes Primary 1991 Policy Achievements

92SM0202A Sao Paulo GAZETA MERCANTIL in Portuguese 21-23 Dec 91 p 3

[Article by Maria Helena Tachinardi]

[Text] Brasilia—"In 1991 Brazil became a more reliable partner," Ambassador Marcos Azambuja, secretary general of foreign policy of Itamaraty, said on Friday, giving an accounting of the principle Brazilian diplomatic actions.

To achieve greater international credibility, the Collor government worked to put together a series of initiatives aimed to dispel the image of a country accused of irresponsibility in matters of nuclear energy, space, and ecology. Brazil, Argentina, and the AIEA (International Atomic Energy Agency) recently signed an agreement on comprehensive safeguards, which will permit the inspection of all the nuclear installations in the country. In the area of the environment, having committed itself to the Rio-92 conference, the government won the political and (still cautious) financial endorsement of the group of the seven wealthiest countries (G-7), of the World Bank, and of the European Community for the program for the preservation of the Amazon Region. Concerned with the problems in obtaining dual-use technologies (for civilian and military purposes), Brazil is studying ways of controlling the exportation of technologies received from abroad. There has also been increased consultation with the United States on the conditions of access to these technologies, with the result that, in January, a mission

from the MTCR (Missile Technology Control Regime), the agency which curbs the proliferation of strategic weapons, will come to Brazil. A few days ago, the government announced that it would create a space agency to make the activities of the sector clearer and for the commercial exploitation of the Alcantra base, whose exceptional location, close to the equator, will make satellite launchings less burdensome.

Accused of engaging in "piracy," Brazil already has its code for the protection of intellectual property. At the end of April, the government sent a draft bill to the Congress, which should appprove it by the middle of next year. Deputy Reinhold Stephanes, reporter for the Congressional Space Committee, which is analyzing the bill, will present a substitute bill in the second week of March, incorporating new amendments which he should receive between 19 and 25 February.

The Brazilian response to the Initiative for the Americas, launched by President George Bush last year, was a joint action between Mercosul [Southern Cone Common Market] and the North American Government; in June of this year they signed a "four plus one" accord, the purpose of which is to prepare the ground for a free trade zone in this hemisphere.

In an interview with this newspaper, Foreign Minister Francisco Rezek did not demonstrate the same optimism. "We hope that in 1992 neither of the two countries will have any kind of critical observation to make about the other regarding the pace of the process of economic modernization," he declared. Rezek said that this year there were frequent complaints from the North Americans about the delay in the approval of a draft bill under consideration by the Brazilian Congress. The charges have been mutual. The Brazilian Government has also complained about the failure to respond to the request for a tariff reduction on orange juice and other products.

Rezek stressed several times that in 1991 "Brazil stood tall under every circumstance." He said further that "1991 was a year in which Brazil's international stature could be affirmed according to the tradition of the house, without declaratory actions, but standing up for itself in the good sense."

Regarding the breakup of the Soviet Union, the minister commented that the government "is observing and seeing how the succession is carried out."

Despite the new political picture in Eastern Europe, Itamaraty does not intend to open many embassies in the region. "We are going to maintain the embassy in Moscow and install one in Kiev (Ukrainian Republic). As for the Baltic countries, there will only be cumulative [as published] embassies with other Brazilian representations in Europe."

A mew policy for the Middle East emerged with the Persian Gulf war. Iran replaced Iraq as Brazil's principal petroleum supplier. The Brazilian Government also voted against the United Nations resolution equating Zionism with racism, a resolution which it had supported in 1975.

* Military Groups Prepare for 1992 Elections

92SM0200B Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Dec 91 p 1-12

[Article by Neri Vitor Eich]

[Text] Rio de Janeiro—Against the will of the armed forces leadership, 19 military reserve associations and leaders of the three military clubs are preparing to put up at least 400 candidates for municipal councilor throughout the country in the 1992 elections. The candidates will run on the tickets of the PDC [Christian Democratic Party], the PST [Social Workers Party], and other parties. Their number includes military on active duty, who are prohibited from engaging in party politics (see the report at the end of this item).

According to the president of the Federation of Military Reserve Associations (Famir), Lieutenant Antonio Garcia, the purpose in running candidates is to create an "electoral and party base so that representatives of the military community can run in 1994 for the Chamber of Deputies, the Senate, and the presidency of the republic."

"We need autonomous political representation. We want to elect many deputies in 1994," says the president of the Military Club, General Nilton Cerqueira, reserve. Famir, whose headquarters are in Brasilia, initiated contacts with the Interclub Committee, which brings the leaders of the Military, Navy, and Air Force Clubs together in Rio de Janeiro.

Famir has already chosen candidates in 22 municipalities in Rio de Janeiro, Goias, Sao Paulo, Ceara, Piaui, Mato Grosso do Sul, Pernambuco, and Rio Grande do Sul. They range in rank from sergeant or petty officer to field-grade or senior officer, and 11 are on active duty. All three services are represented.

The bylaws of the military clubs prohibit members from engaging in or debating party politics. Because of that, a subcommittee has been set up to choose another forum for debate.

The Interclub Committee decided to put up a general officer as candidate for mayor of Rio de Janeiro. It even nominated Gen. Cerqueira, but he preferred to run for reelection as president of the Military Club. In the opinion of Federal Deputy Jair Bolsonaro (PDC, Rio de Janeiro), the return to politics by the military will result in the election of "defenders of the interests of the military 'family.'"

Bolsonaro, Lt. Garcia, and Navy Captain Dalmo Honaiser of the Interclub Committee say that according to the theory of the "two hats," the military ministers are not in a position to provide that defense.

According to that theory, one of the "hats" worn by the ministers is that of representative of the Federal Government and the other is that of representative of the troops. For the ministers, the duty of loyalty to the government is said to be an obstacle to defense of the interests of the military "family."

According to Bolsonaro, 35 military candidates for the Rio de Janeiro Municipal Council will be chosen by February.

Regulations Ban Politics

The disciplinary regulations of the Army, Navy, and Air Force prohibit military personnel on active duty from participating in party politics and running for elective office. This prevents them from beginning an election campaign before they are nominated at one of the party conventions.

Following nomination, the party in question informs the Regional Electoral Court, which notifies the military man's superior that he is a candidate. The candidate is made an "attache" in his branch of the service and, being relieved of duty, is then entitled to promotion only by seniority.

If he is elected, the military candidate is transferred to the reserve. If defeated, he is generally punished with 30 days' detention and transferred to some distant post—an example being Captain Eni Garcia dos Reis (1990), who was transferred from Porto Alegre to Belem.

The first military man to be elected to the Chamber of Deputies after 1985 was Captain Jair Bolsonaro. Before 1964, military candidates were common.

* Dissension Within Political Parties Discussed

92SM0200A Sao Paulo VISAO in Portuguese 11 Dec 91 p 13

[Article by Joao Sampaio and Santamaria Silveira]

[Text] Discontented members of the PRN [National Reconstruction Party], PST [Social Workers Party], and PDT [Democratic Workers Party] want to unseat leaders, reach agreements, and enlarge their space. And they lack the terrain for doing so.

Brasilia—Indifferent to the battle by the so-called big parties (PMDB [Brazilian Democratic Movement Party], PT [Workers Party], and PDS [Social Democratic Party]) to dictate the new rules that will govern party organization in Brazil, three groups are faced with the wounds of internal quarrels that may hamper their performance not only in the National Congress or in state legislative assemblies but also in the municipal elections of 1992.

President Fernando Collor's PRN is experiencing the difficulties involved in replacing the leader of its bloc in the Chamber of Deputies. On one side is the current leader, Cleto Falcao, who is accused of making "unfortunate" statements during an interview with the magazine VEJA. In that interview—the truth of which has not been denied—he said that although he earns 4 million cruzeiros per month, he spends much more than that and his expenses are "covered by friends." He has been accused of peddling his influence to obtain financial favors. On the other side are the congressmen and other politicians without seats (especially in the Sao Paulo group), dubbed "widows" by Deputy Arnaldo Faria de Sa, who was the bloc leader deposed by Cleto following a controversial series of statements and who wound up leaving the PRN and joining the PFL [Liberal Front Party].

The "widows," headed by Deputy Euclydes Mello (PRN, Sao Paulo), accuse Cleto of allowing several deputies to leave the party, while in Sao Paulo, the president of the republic's brother, Leopoldo Collor, is doing his best to attract more cadres. Although it has been helped along by the PT bloc, which, acting through Deputy Chico Vigilante (Federal District), has asked the Chamber's Disciplinary Committee to start an investigation of Cleto Falcao's statements, this quarrel will not be settled until January or February 1992, when Collor picks the new leader. Until then, Cleto, although limping, will continue in the leadership, where he will be assisted by the deputy leader, Maurici Mariano (Sao Paulo). In a way, that represents intervention by Leopoldo Collor's group in the bloc. And it may result in new defections by cadres from the party founded by the president of the republic.

Openmouthed: Openmouthed and with its eyes open too, since any loss by another group may facilitate an increase in its own ranks, the PST of former Parana Governor Alvaro Dias is preparing to leave behind its status as a "dwarf" party and grow big. Last week, while Alvaro Dias, the PST's biggest star, and the party's national president, attorney Marcilio Duarte Lima, were in Rio de Janeiro accepting the membership cards of various prominent figures led by jurist Tecio Lins e Silva, the bloc's seven deputies in Sao Paulo, headed by their leader, Deputy Nabi Abi Chedid, were abandoning the PST and leaving the party without representation in the Legislative Assembly. They accuse President Marcilio Duarte of being "totalitarian" because he welcomed Alvaro Dias and the latter's followers into the party's ranks and then removed Deputy Roque Barbieri as the party's regional president in Sao Paulo and appointed himself to take Barbieri's place.

Actually, however, the entire quarrel has other origins: the PST's Sao Paulo bloc is linked to the former governor and national president of the PMDB, Orestes Quercia, and to Governor Luiz Antonio Fleury Filho. Its members wanted to see the party support Quercia's presidential aspirations. Moreover, the bloc's unconditional support for the Fleury administration has allowed the deputies and the party president to appoint a number of fellow party members to positions in state-owned firms. With the entry into the party of Alvaro Dias, who also wants to run for president of the republic in 1994, support for Quercia was frustrated.

The reaction by the deputies was to join Luiz Pacce's PSD [Democratic Social Party], which acts as an auxiliary to the Quercia-supporting PMDB. And the Sao Paulo Governor's Office expressed its dissatisfaction with the situation by firing all the PST officials appointed by Marcilio from the public positions they occupied in Sao Paulo's state-owned firms. This quarrel promises to last until the weekend, with federal and state deputies from other parties joining the PST, which now opposes Quercia and Fleury.

In the meantime, PDT deputies are in Brasilia finalizing a list of demands that they will take to the party's third national congress, which will be held in Rio de Janeiro beginning this weekend. And they intend to make it clear that a good share of the federal bloc is dissatisfied with the party leadership. "The 43 PDT deputies are viewed simply as a number by the national leadership," says Deputy Beth Azize (Amazonas). She is one of the members of Congress not belonging to the "Rio clan" from which the PDT was organized. They want the party to expand its base and abandon the regionalism which characterizes it. And Beth says: "Brizola lost the election for president of the republic because the PDT had no national structure. That is what we want to create, but it will be possible only if the group in Rio shares national command of the...party with the other states." The PDT Congress will run until March, when the party's final policy guidelines will be voted on.

Chile

Government Satisfied With Letelier Compensation

PY1401134892 Santiago Radio Chilena Network in Spanish 1000 GMT 14 Jan 92

[Text] The Chilean Government has expressed satisfaction over the handling of the compensation issue that must be paid to the United States for the death of former Foreign Minister Orlando Letelier. Foreign Minister Enrique Silva Cimma released an official communique stating that the government has agreed to the findings of the Bryan Commission without accepting liability for the incident in order to reestablish the normal climate between the two countries. He said:

[Begin Silva Cimma recording] The Chilean Government—without admitting liability but explicitly recognizing an inconsistency over the unfortunate deaths that has contributed to create a rarefied climate in the two countries' relations—has decided to accept the previously mentioned agreement and the decision of the commission. But the government limits the commission's jurisdiction to determine the amount of an ex-gratia payment equal to that that would have been paid if liability had been established. [end recording]

Silva Cimma added that another factor was the promise that President Patricio Aylwin made during the electoral campaign.

[Begin Silva Cimma recording] The Chilean Government seeks to fulfill President Patricio Aylwin's promise during the electoral campaign to clarify and to reduce the effects of this unfortunate violation of human rights that has affected Chilean prestige, and to help normalize relations with the United States—a necessary condition within the framework of our international policy of Chile's full reinsertion into the world community. [end recording]

Silva Cimma said that the government can make the payment that will be disbursed as soon as the administrative requisites established by the treaty are fulfilled.

Asked if the same procedure should be used in the poisoned grapes case, Silva Cimma said that, in theory, it would be appropriate. The amount to be paid in the Letelier case amounts to $2,611,800.

'Top' Lautaro Youth Movement Leader Arrested

PY1101013492 Santiago Radio Cooperativa Network in Spanish 2200 GMT 10 Jan 92

[Excerpts] Jorge Burgos, Interior Ministry cabinet chief, reported this afternoon that a top leader of the Lautaro Youth Movement has been arrested.

He stated that members of the recently created Holdup Investigation Department [Prefectura Investigadora de Asaltos] were able to arrest yesterday Bernardo Acevedo Lagos. He is also known as Marco or the Mexican. His age was not disclosed. [passage omitted]

Burgos said documents on the structure of the Lautaro group, which is being investigated, were found in Acevedo's house. Burgos added that weapons and explosives were also seized in the house. [passage omitted]

Group Holds Up Bank

PY1401012492 Santiago Radio Cooperativa Network in Spanish 2200 GMT 13 Jan 92

[Excerpt] The United Lautaro Command today claimed responsibility for the holdup of the Credit and Investment Bank in Valdivia. The robbery was carried out by four individuals, including a woman. An alleged Lautaro Group member telephoned a radio station saying that the group claimed responsibility for the holdup. He also said that the group regretted that a child was hurt in the attack. The group was able to take 4.5 million pesos.

Carabineros and the Investigative Police are conducting an intensive operation to capture the subversives. [passage omitted]

Independent Democratic Union President Elected

PY1201191092 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 11 Jan 92

[Summary] Jovino Novoa Vasquez, 46, was elected today president of the Independent Democratic Union, replacing Julio Dittborn.

New Communications Detection System Inaugurated

PY1501005292 Santiago Radio Cooperativa Network in Spanish 2200 GMT 14 Jan 92

[Excerpt] A modern system for detecting the site of communications systems that will allow the identification of unauthorized or illegal transmissions was inaugurated today in the monitoring radio station in Santiago.

The ceremony to show this sophisticated detection method known as radio goniometry was headed by Transportation and Communications Minister German Correa. The main idea for the implementation of this system for tracking transmissions is to prevent the action and proliferation of walkie-talkie transmissions by extremist groups and common criminals to coordinate their criminal actions and become familiar with police actions.

This is why the ceremony was also attended by General Fernando Cordero Rusque, director of the Carabineros Data and Communications Directorate. Cordero signed an agreement to coordinate and complement actions between his institution and the Telecommunications Under Secretariat headed by Roberto Pliscoff. [passage omitted]

Colombia

Communique Released on Venezuelan Gulf Issue

PA1301130892 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 13 Jan 92

[Report by Jose Garzon]

[Text] The Colombian Government has reaffirmed its rights in the Gulf of Venezuela. This declaration was made in reply to the announced decision of the Venezuelan Government to build a port in the gulf.

In a communique made public today, the Colombian Government explained the situation as follows:

1. Venezuela has the legitimate right to build the port.

2. The construction of the port will not result in judicial rights to navigational routes inside the gulf.

3. This situation demonstrates the need to delimit maritime borders between both countries.

Likewise, the communique points out that Colombia and Venezuela currently have a close and growing relationship. The communique ends by stating that both countries will continue working toward true compatible development.

Sanin on Port Construction

PA1501013492 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 14 Jan 92

[Text] If Venezuela constructs a port in the gulf known as the Gulf of (Coquibacoa) or Gulf of Venezuela, there will be a tremendous problem. This would allow international navigation in waters that are still under dispute with Colombia. Here are some recent statements from Foreign Relations Minister Nohemi Sanin to Guillermo Gonzalez.

[Begin recording] [Gonzalez] The government explained on 14 January that Colombia is not worried if a port is built in the Gulf of (Coquibacoa), but about the transit of ships in waters that are still a subject of dispute between the two countries. Foreign Relations Minister Nohemi Sanin de Rubio maintains that the construction of a port in the gulf implies the establishment of navigation treaties between the two countries, thus making it necessary to define sovereignty over waters that are still under dispute. Sanin stated that President Carlos Andres Perez' statements are very important to Colombia as they make it clear that Colombia has genuine rights over the Gulf of (Coquibacoa).

[Sanin] What we want is respect for Colombia's rights. We want respect for the pending dispute on marine and submarine waters. We still have not agreed upon navigation lines.

[Gonzalez] Sanin noted that the present state of relations between Colombia and Venezuela is excellent. [end recording]

Discovery of Large Oil Reserves Confirmed

PA1501041992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 14 Jan 92

[Text] Ecopetrol [Colombian Petroleum Enterprise] has just confirmed that with a British enterprise, it has discovered enormous oil reserves in the Cusiana oil fields of Casanare. Furthermore, people are already saying that the discovery in Cusiana is the biggest oil discovery of the last few years in the Western Hemisphere. Here is Marcela Duran with the report.

[Begin recording] [Duran] The Buenos Aires oil well in Casanare is the biggest oil deposit to be discovered in the Western Hemisphere in the last 25 years. This announcement was made on 14 January by the British Petroleum Company. That company is in charge of the study.

Ecopetrol President Andres Restrepo has stated that the Buenos Aires oil well constitutes a world-class find. He also announced that Colombia could begin to benefit from production from the oil deposit at the end of 1992. Production has been initially estimated to be anywhere between 5,000 and 10,000 BPD [barrels per day].

[Restrepo] These figures could grow substantially toward the end of the year. We can safely say that we have made a discovery that will give us the guarantee that Colombia can continue to be self-sufficient for a long time.

[Duran] The Cusiana oil field, located in the Casanare plains, is made up of four oil wells: Cusiana 1, Cusiana 2, Cusiana 2A, and Buenos Aires. The British Petroleum Company holds the contract for the operation. It is associated with two enterprises, (Triton) and (Totale) from France. British Petroleum has announced it will invest $200 million and will bring 10 drills to Colombia

to continue prospecting in the Buenos Aires well and to begin prospecting for new wells in the area. According to some international analysts, the oil reserves found in the Buenos Aires oil well could amount to 3 billion barrels of crude oil. [end recording]

Guerrillas Blow Up Oil Pipeline Second Time

PA1101022492 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 11 Jan 92

[Text] During the first 10 days of 1992, Army of National Liberation guerrillas dynamited for a second time the Cano-Limon-Covenas oil pipeline. The explosion occurred near Pailitas, in the southern area of El Cesar Department, and spilled approximately 10,000 barrels of crude oil.

Meanwhile, a large part of Santander Department remains isolated from the rest of the country as a result of the violent actions by the Simon Bolivar Guerrilla Coordinating Board [CGSB].

Reporters from this newscast entered via the only road leading to San Vicente de Chucuri and El Carmen Municipalities. The transportation companies are working on normal schedules. Farmers bring their produce to Bucaramanga without denying that they are afraid to make the trip.

[Begin unidentified farmer recording] We are afraid. I even told my friend we should not travel, but he said the Lord will protect us. [end recording]

In El Carmen, the CGSB recently blew up four bridges in Yarima and left the area isolated. The guerrillas also damaged the water works and burned a farm belonging to the brother of Mayor Jairo Beltran Luque. According to the secretary general of the mayor's office, the farmers in the area have been unable to communicate with San Vicente de Chucuri for over a week due to the guerrilla actions.

The CGSB issued a communique saying that it has done this to prevent the advance of the paramilitary groups that have—according to the guerrillas—the support of the government and members of the 5th Army Brigade.

[Begin 2d Division commander recording] This is one of the many lies that these subversive groups tell every day to misinform the people and to seek to mar the prestige of respectable institutions. [end recording]

Patrolling in this area has been intensified within the past few hours to provide more security for the civilian population.

Paraguay

Restrictive Monetary Policy To Continue

PY1001224592 Asuncion NOTICIAS in Spanish 8 Jan 92 p 13

[Excerpts] Paraguayan Central Bank [BCP] President Jose Enrique Paez said yesterday that the government will continue to implement a restrictive monetary policy denying credits to the public sector; refusing any preferential financial treatment; maintaining a tight state budget balance; and providing genuine credits only to productive activities.

BCP President and Finance Minister Jose Diaz Perez met yesterday with President Andres Rodriguez to analyze the national economic policies, particularly from the fiscal point of view. [passage omitted]

Paez later said that "stability must be preserved; it must be our banner for 1992. If we are to maintain stability we must implement the budget as planned." Paez added that the government will continue to restrict credits to the public sector, a policy that was strictly observed last year. "We discussed the need to maintain the ban—to give it a name—on BCP credits to public administration. This means that credits will not be given to the central administration or to autonomous public companies." [passage omitted]

Paez warned against "expecting a more flexible" monetary policy, adding that "there will not be much financing for different activities and no one should expect any preferential treatment. We are maintaining consistent monetary and fiscal policies," Paez said. [passage omitted]

Paez Announces Resumption of Debt Payments

PY1001011892 Asuncion NOTICIAS in Spanish 9 Jan 92 p 10

[Text] Central Bank President Jose Enrique Paez announced yesterday that Paraguay will resume payment of its foreign debt that was suspended during the last quarter of 1988. The Finance Ministry will purchase foreign currency for $240 million this year to pay the debt.

Paez said that the government decision will only allow payment of installments falling due this year and that this decision affects all institutions with payment deadlines in 1992.

Paez added that at this time, the Finance Ministry is providing the money to the Central Bank ahead of time in order to transfer it to the creditors.

Asked when the measure will be enforced, Paez said that the measure is in force "as of now"—that is, starting with the payments due in January 1992.

He said that the payments will be made on time and that the payment of overdue obligations of the country's foreign debt is being negotiated.

He said that payment of the overdue obligations will continue to be suspended because it depends on the results of negotiations by economic officials with the IMF and the World Bank for a new program for amortization of the overdue obligations. The country's overdue debt amounts to $500 million, of which $300

million acounts for debts to the Paris Club. The overall Paraguayan foreign debt at the end of last year was $1.717 billion.

Paez was also asked whether the increase in the dollar rate may cause an increase in inflation. Paez said that the current situation is temporary and that it began late last December. He stated that the dollar rate began to drop yesterday.

Paez said that when there are no economic transactions, the dollar rate automatically drops due to the law of supply and demand. He added that the dollar rate will drop until it reaches a reasonable level between 1,250 and 1,400 guaranies, which can be a competitive level from the point of view of exports.

Paez also said that it is necessary to find a dollar rate level in accordance with international prices, which are currently very good, to compensate the dollar rate increase in order to be able to compete abroad.

Roundup of Economic Activity Reports 2 - 9 Jan

PY0901164692

[Editorial Report] Following are reports on economic activities in Paraguay monitored by Paraguay Bureau from 2 to 9 January. Source, date, and time are given in parentheses after each item.

According to Alcides Jimenez, Paraguayan director of the Binational Yacyreta Enterprise, it is estimated that construction of the hydroelectric dam will require an investment of $7 billion to $8 billion. Jimenez said that construction will require $5 billion and the rest will be to pay for the loans for the project. (Asuncion NOTICIAS in Spanish 9 Jan 92 p 10)

According to information from the Livestock Under Secretariat, during 1991 Paraguay exported a total of 38,289,448 kg of beef and 3,424,879 kg of tripe, thus fulfilling estimates that exports in this field would not even amount to half of what was exported last year, 104 million kg. Despite the difficulties of putting beef on the Brazilian market, it was the main buyer with 25,001,644 kg of beef and 1,924,646 kg of tripe. Chile followed with 4,398,550 kg of beef; and Argentina with 3,895,599 kg. (Asuncion ABC COLOR in Spanish 9 Jan 92 p 13)

During 1991 the Industry and Commerce Ministry's Investment Council approved a total of 417 investments amounting to 255.34 billion guaranies, of which 41.66 billion guaranies were from foreign investments and 213.680 billion guaranies from national investments. (Asuncion NOTICIAS in Spanish 6 Jan 92 p 10)

Top Central Bank authorities said that in December 1991 the Paraguayan foreign debt in arrears, including capital and interest, was $522.1 million. Moreover, the total foreign debt at that time was $1.7167 billion, of which 50 percent was debt to the Paris Club, the remaining 37 percent ($631.8 million) with multilateral organizations and 13 percent ($221.1 million) with commercial banks. (Asuncion NOTICIAS in Spanish 6 Jan 92 p 13)

Militant Colorado Party Movement Created

PY1001020692 Asuncion HOY in Spanish 9 Jan 92 p 4

[Text] The Militant Colorado Party Movement was officially created last night. This was done in Sergio Enrique Dackac's house. Some of the movement's top leaders said that the purpose of the movement is "to be effectively involved in party activities with our own ideas and proposals for the election of the party executive board and the 1993 presidential elections."

This is how the militant movement—which radically supported the dictatorship of General Alfredo Stroessner—enters the political picture despite a government decision to prohibit them from participating in party politics until 1993, when general presidential elections will be held.

The movement is "temporarily" headed by Luis Martinez Miltos, who will be the general coordinator of work to be conducted within the Colorado Party. The movement's members are Nicasio Ortellado; Salvador R. Paredes; Aurelio Caceres Spel, Jr.; Modesto Acosta Perez; Hiran Delgado Von Leppel; Alejandro Velazquez; Juan Cameron Montanaro; and Miguel Fernandez.

The militants will participate in the ANR [National Republican Association] internal elections to elect a new party executive board, supporting the "three-name ticket" (Machuca Vargas, Blas N. Riquelme, and independents). In this regard, it was reported last night that the militant movement's support for the three-name ticket of the Traditionalist Movement was made in "exchange" for the party leadership's agreement to allow members of the militant faction to participate in party internal elections in the capital and in other cities of the country.

Leadership Installed

PY1301132692 Asuncion HOY in Spanish 11 Jan 92 p 8

[Text] The [ANR, Colorado Party] "Institutionalist Renewal" Movement headed by Emilio Cubas Grau has established its provisional committee during a meeting in which they made official their separation from Angel Roberto Seifart's movement that proposes "the unity in democracy."

Cubas has proposed separating from that sector to "maintain dialogue with the 'three-man leadership' (Argana-Riquelme-Machuca) [ANR Party President Luis Maria Argana, ANR Vice President Blas N Riquelme, and Interior Minister Orlando Machuca Vargas], seeking to remain united because we believe that the party can be renewed through dialogue." Cubas added that there is "a higher objective; The future of the party. We believe that all internal movements share the idea of renewal. [no closing quotation marks as published]

He added: "During our talks with grassroots leaders, they verified that unity is a hope expressed by all. Our humble party members know the significance of the cannibalism that has existed in the party for almost three years."

The provisional committee comprises the following leaders: Emilio Cubas Grau, Juan Manuel Morales, Luis Angel Acosta, Pedro Gonzalez Troche, Jose Maria Delgado, Manuel Ayala Cantero, Luciano Maldonado, Federico Narvaez, Javier Alarcon, Antonia de Galeano, widow, Graciela de Alum, Dora Pena de Avila, Cirila de Alcaraz, widow, Georgina Lopez, Hugo Piccini, Juan Francisco Elizeche, Hugo Estigarribia Gutierrez, Ovidio Meyer, Ignacio Mendoza, Porfirio Caballero, Vicente Farina, and Celso Castillo.

Assembly Allows Media To Attend Sessions

PY1101174492 Asuncion ABC COLOR in Spanish 11 Jan 92 p 1

[Text] By acclamation, the National Constituent Assembly last night decided to allow unrestricted access of the media to the deliberating sessions of the different advisory committees of the assembly. The support of the Colorado Party peasant delegates was decisive in changing the party decision to grant freedom to reporters to work at the assembly. The same peasant delegates also achieved that the designation of committee members to be the power of the bloc and not of the assembly president. The opposition members, however, failed to obtain that the order of the day for plenary sessions be prepared in consultation with bloc leaders. Colorado Party bloc leader Oscar Paciello bitterly criticized the press businessmen, stating that their main interest was profit and that they comprise a "voracius plutocracy."

'Pro-Paraguay,' Police School Directors Named

PY1101145492 Asuncion NOTICIAS in Spanish 8 Jan 92 p 7

[Summary] The government has named Gustavo Leite Gusinky as director of Pro-Paraguay, the Board of Promotion of Exports and Investments. The executive branch has also designated Carlos Fidel Alsina as new director of the Police Officer's Training School.

Exchange Notes Signed on Project With Argentina

PY1001174992 Asuncion ABC COLOR in Spanish 10 Jan 92 p 10

[Text] Argentine Foreign Minister Guido di Tella and Paraguayan Ambassador to Argentina Dido Florentin Bogado signed yesterday, on behalf of their respective governments, three exchange notes that formalize the continued construction of the Yacyreta hydroelectric dam project. The resolution is included in the exchange notes that were signed and exchanged at the Argentine Foreign Ministry.

The official explanation by both foreign ministries states: "The exchange notes are the result of negotiations by the two countries under the precise orders of Argentine President Carlos Menem and Paraguayan President Andres Rodriguez, who on several occasions emphatically stated the need to rationalize the Yacyreta Binational Agency and to solve the technical and financial problems that were hindering the continuation of the project."

The first exchange note establishes the price of the electricity at $0.03 per Kw/hour from the beginning of operations until year 2048. In the accord, Paraguay has agreed to accept $0.00175 per Kw/hour, in cash, as payment for the electricity; compensation for flooded territory; damages to private property; and profit. Argentina has promised to charge no interest on the debt that Yacyreta owes the Argentine treasury.

The second exchange note states that the plant will become operational in March 1994 (this deadline may be moved to September 1994) with the reservoir depth of 76 meters. It will operate like this for less than one year. The reservoir level will then be raised to 78 meters for a further three years, and finally to its full operational level of 84 meters.

The third note states that the number of direct employees should be cut from 730 to 360 before 29 February 1992, and that the agency's monthly operational costs should not exceed $1 million.

Engineer Ricardo Canese, one of the Paraguayan negotiators, said that, as specified in the agreements, Argentina will buy all the electricity that is generated by the plant, "unlike the case of Itaipu [binational hydroelectric project between Paraguay and Brazil] where the commitment to buy electricity depends on power." [sentence as published] He added: "This move is very positive for Paraguay because Annex C of the Yacyreta Treaty originally established that the profits pertaining to our country would not be paid in cash but in electricity."

Peru

Foreign Minister Presents Proposal to Diplomats

PA1501011092 Lima Global de Television Network in Spanish 0100 GMT 14 Jan 92

[Text] On 13 January, Foreign Minister Augusto Blacker Miller met with the ambassadors of the countries that endorse the Rio de Janiero Protocol, along with the Papal representative, to present President Alberto Fujimori's proposal to the Ecuadoran Congress. Blacker Miller met with the U.S., Brazilean, Chilean, and Argentine ambassadors and the Apostolic Nuncio Luigi Docena at the Foreign Ministry office.

The diplomats said they would study the presidential proposal in detail and expressed their satisfaction at the achievements attained during the meeting of the presidents in Quito.

After meeting with the diplomats for approximately an hour, the foreign minister announced he would continue to keep the diplomats informed on this issue and to divulge the Peruvian proposal to request Vatican expertise to solve the border problem. In regard to the latter, he confirmed that he would meet with the permanent congressional commission to report the steps taken by the executive branch to solve the problem with Ecuador.

[Begin Blacker recording] I have requested a meeting with the permanent congressional commission to give them a detailed report on the steps taken and the advancements made to this point. I do not know if the commission will accept my petition because, obviously, it has other appointments scheduled. I am willing to talk to any legislative branch office to report the efforts being made on this matter. We are firmly committed to this effort. The fact that I am meeting with all of you here on 13 January shows that we are very interested in informing you of our actions. [end recording]

Government Negotiating Fishing Contract With Cuba

PY1301191692 Lima EXPRESO in Spanish
4 Jan 92 p A3

[Text] Fisheries Minister Jaime Sobero Taira yesterday confirmed the report published by EXPRESO that his ministry is preparing to sign an agreement with the Cuban Government for the extraction of hydrobiological resources from the Peruvian sea, thus reestablishing the previous government's policy, particularly the agreement signed in 1986 by Prime Minister Luis Alva Castro, which had seriously jeopardized our maritime resources.

Meanwhile, the permanent congress commission yesterday approved a request submitted by Deputy Pedro Cateriano (Libertad) urging the minister to explain in writing the scope of the possible fishing agreement with Cuba and to provide detailed information on the results of the contract signed with the Soviet Union.

In remarks made exclusively to EXPRESO, Sobero said he had held preliminary talks with a Cuban Government delegation on the possible signing of an agreement but added that, if an agreement is reached, "it will not be harmful to Peruvian interests as was the case in the past with the agreements signed with the Soviet Union."

As you may recall, the previous experience resulted in serious losses to the Peruvian economy due to the fact that, among other things, the trawlers used to exceed their fishing quotas because they were not monitored and did not pay the established tax.

The fisheries minister said that the Peruvian proposal given to the Cuban delegation and others establishes that "30 percent of the fish be given to Peru to be distributed among social and welfare institutions and areas where there is much poverty, within the framework of the National Fisheries Food Program [Plan Nacional de Alimentacion Pesquera]."

During the meeting in his office, Sobero Taira gave as a basis of this plan—which is not much different from the one defended in due time by American Popular Revolutionary Alliance [APRA] Minister Romulo Leon Alegria—"an emergency program that will be implemented at two chronological levels of the population: from zero to three years for the nutrition of infants; from three to 60 years for the nutrition of children, young adults, and the aged, that is, for their organic and functional maintenance. [no closing quotation mark as published]

We must remember that one of the APRA government's arguments for maintaining the fishing contracts with the Soviet Union was also to supply fresh and cheap fish to the people.

He added that officials of the involved governments will be responsible for all maintenance and production costs, and each country will use only three trawlers apiece. "This is the big difference with the contracts signed with the former Soviet Union: While they did not even comply with the required 17.5 percent of the haul, we covered their expenditures. This has considerably affected the country," he said.

Without explaining what the ministry will do to prevent this situation from being repeated, Sobero was daring and said that by no means will this situation contradict the policy of President Alberto Fujimori, "which seeks to promote private investment in all areas of the economy."

He also justified the need to sign these agreements, considering the lack of national trawlers to carry out this type of deep-water fishing.

He added that although it is true that fishing ship owners have agreed and offered to cooperate by building some 40 vessels, they will not be ready for one year.

"We encourage and applaud private participation, but the new fleet of fishing boats will be ready in one year. For that reason, based on Legislative Branch Decree No. 750 promoting fishing activities, we seek the participation of foreign governments to provide us with fish to distribute among the poor," he said.

Sobero said the idea to repeat the signing of fishing agreements came in September 1991 when he was visiting Vigo, Spain and held talks with representatives of 38 foreign governments.

"We explained to all of them our great national objective, which is to supply fish to all Peruvians who have no economic resources to buy them," he said.

He added that on 1 December 1991 a South Korean delegation arrived and stayed 12 days, exploring the Peruvian coast and studying our proposal. Two weeks later a Cuban delegation arrived. After some quick research and an analysis of the fishing situation in our country, they returned to their country with the fisheries minister's proposal.

Sobero Taira said if these and other governments do not take into account the country's interests, "surely they will not be accepted, because we are not willing to repeat the experience with the former Soviet Union, when the country lost a great deal."

Organizations Express Solidarity With Cuba

PY0801184992 Lima LA REPUBLICA in Spanish 1 Jan 92 p 8

[Text] Under the slogan "Petroleum for Cuba," benevolent Peruvian organizations yesterday began a campaign to collect funds to enable Cuba to purchase fuel.

Peru thus joined the chain of solidarity that has been seen in Chile, Mexico, Argentina, and Venezuela, expressing solidarity with that friendly country, which is experiencing a difficult time due to the economic blockade.

The initiative was begun by Poet Arturo Corcuera and Edith Puelles, members of the Jose Marti Cuban-Peruvian Cultural Institute. Corcuera and Puelles have opened bank account No. 1500031 at the Banco Latino where contributions for this campaign can be deposited.

The tight friendship existing between Peru and Cuba will enable the rapid collection of funds necessary for the purchase of fuel.

Government Extends State of Emergency in Ica

PA1401190392 Mexico City NOTIMEX in Spanish 1828 GMT 14 Jan 92

[Text] Lima, 14 Jan (NOTIMEX)—The Peruvian Government on 14 January extended for 60 days the state of emergency in several provinces of Ica Department on the country's southern coast because of persistent guerrilla activity in the region.

The measure, contained in a supreme decree published in the official gazette EL PERUANO, affects the provinces of Ica, Chincha, Nazca, Pisco, and Palma, which are part of the Los Libertadores Wari region.

Under the state of emergency, which is extended for 60 days, individual rights are suspended and the Armed Forces are in charge of preserving internal order.

According to the Defense Ministry, the provision seeks to "facilitate operations against subversives operating on national territory."

Almost 50 percent of Peruvian territory is under a state of emergency that affects over 12 million of Peru's 22 million inhabitants.

Cause of Helicopter Crash Under Investigation

PA1501011192 Lima Global de Television Network in Spanish 0100 GMT 14 Jan 92

[Text] The cause of the helicopter crash in the Alto Huallaga valley is being investigated. A police source said mechanical defects could have caused the crash, but the possibility of a ground attack by narcoterrorists has not been ruled out. The three dead U.S. citizens were under contract with the U.S. State Department to support antidrug operations in the Alto Huallaga valley.

The mission of the UH-1H helicopter was to provide illumination to personnel repairing another helicopter that made an emergency landing due to a turbine problem. The first helicopter left the Santa Lucia antidrug base for Tingo Maria at 0840 on 11 January to conduct a secret operation. The helicopter was carrying members of the Alto Huallaga Coca Control and Reduction Agency project. One hour after it took off, the helicopter reported a turbine problem in the area between Madre Mia and Nuevo Progreso, where Shining Path and the Tupac Amaru Revolutionary Movement have camps. There was heavy rain and the ground was very muddy. Two helicopters then left the Santa Lucia base. One of them evacuated the personnel from the damaged helicopter. The second helicopter provided support to a group of mechanics, policemen, and pilots. At 0230 on 12 January, the support helicopter, which was carrying three U.S. citizens and Peruvian policeman Cesar Chayan, who acted as gunner, crashed and blew up. A few moments earlier, it had contacted its base asking for assistance, but did not explain the cause of the emergency.

According to unofficial reports, the personnel on the ground had noticed the presence of unidentified individuals. The personnel were unaware that the helicopter was missing. At 0545, the helicopter was found crashed and burned. Its four occupants were burned to death.

At the Santa Lucia base, a police source said the helicopter could have crashed due to a mechanical defect but did not rule out a terrorist attack. The names of the dead U.S. citizens have not been released. It was stated that they had been hired by the U.S. State Department to help the antidrug operations in the Alto Huallaga valley.

Chief of Armed Forces Joint Command Sworn In

PY1401001892 Lima LA REPUBLICA in Spanish 3 Jan 92 p 10

[Excerpt] Nicolas de Bari Hermoza Rios, new head of the Armed Forces Joint Command, voiced his full support for the government's pacification policy and asserted that he is firmly determined to "stop war and build peace."

This energetic statement was made at Army headquarters and addressed to President Alberto Fujimori, who, in his capacity as Armed Forces supreme commander, swore in De Bari Hermoza Rios as president of the Joint Command

and entrusted him with the leadership of the Operative Command of the Pacification Internal Front [Comando Operativo del Frente Interno de Pacificacion].

The installation ceremony was held on military grounds, outside Government Palace, which was regarded as a sign of mutual support between the executive branch and the Armed Forces.

The presence of peasant defense patrol members along with Navy and Air Force officers, soldiers, and policemen made the solemn ceremony somewhat different.

De Bari Hermoza Rios said: "The new strategy, in which the National Defense System must play an important role, is based on intelligence work designed to locate the leaders and on psychological operations designed to show that democracy is a superior system based on humanism and social justice."

Accompanied by Air Force Commander General Arnaldo Velarde and Navy Commander Alfredo Arnaiz, De Bari Hermoza Rios said that with the pacification strategy designed by the government and with each and every one of the legislative decrees recently published, "we can defeat the violence promoted by terrorism and drug trafficking that, in a criminal alliance, tries to destroy democracy."

De Bari Hermoza Rios voiced his support for the Armed Forces' actions since they took control of the antiterrorist struggle and criticized the Marxists groups that, "with financial support of suspicious origin, unleashed an unkind, slanderous campaign, accusing our soldiers of conducting a dirty war." [passage omitted]

Single Antiterrorism, Antinarcotics Unit Created

PY1301162292 Lima EXPRESO in Spanish
4 Jan 92 p A7

[Text] Lieutenant General Adolfo Cuba y Escobedo, Peruvian National Police [PNP] director general, said on 3 January that the reorganization of the PNP continues. He said the creation of the unified command will help the police fight terrorism and drug trafficking.

Cuba y Escobedo made this statement following the ceremony at which Lt. Gen. Victor Alva Plascencia was installed as chief of the PNP staff and Jose Zuta Valqui as PNP inspector general. The ceremony was held at the Los Cibeles garrison in Rimac District.

Cuba y Escobedo pointed out that under Law 744, which reorganizes the PNP, the three superior PNP directorates: the PG [General Police], the PT [Technical Police], and the PS [Security Police] are replaced by a general staff command to coordinate the three former directorates.

He said: "Now there is one national system to fight terrorism and drug trafficking. It will also clarify the presence of the police in Peruvian society."

He added that the unification process will be implemented nationally, regionally, and departmentally, and there will be a police chief in every region.

He said the police force will thus receive more financial resources, which can be used to buy better equipment and pay higher salaries. "The government is working on that," he added.

He denied the rumor spread by a television channel about an alleged confrontation between police and military forces in Juanjui. He explained that the military was late in assisting the police station that was attacked by members of the Tupac Amaru Revolutionary Movement because there were several simultaneous attacks at settlements in the region and the military forces could not cope. He believes Victor Polay Campos, alias Comrade Rolando, may be in the region.

Regarding the theft of a large amount of money at the Dircote [Counterterrorism Division] some months ago, Cuba y Escobedo said a major has been identified as the negligent party. He did not, however, reveal the major's name.

General Hector John Caro also attended the installation ceremony on 3 January. Caro was the Dircote head at the time of the incident. He said he was not responsible for the theft, adding that all Dircote personnel—civilians and policemen—were investigated. Caro is now director of the PNP Staff Planning Office.

Cuba y Escobedo expressed satisfaction over the police operation that prevented terrorists from destroying high-tension pylons that supply electrical power to Lima.

Roundup of Terrorist Activities 4 - 9 Jan

PY1301225492

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 4 and 9 January. Publication information is given in parentheses after each item.

Shining Path terrorists on 2 January attacked Los Angeles, Angasmarca District, Santiago de Chuco Province, killing seven peasants from a family that refused to cooperate with the terrorists. (Lima LA REPUBLICA in Spanish 4 Jan 91 p 27)

Sixteen Shining Path terrorists and former prison Director Cesar Fernandez Ocampo escaped from the Santiago de Chuco prison early on 5 January through a 40-meter tunnel, which reportedly was built with the outside help of National Institute of Prisons employees. (Lima LA REPUBLICA in Spanish 6 Jan 91 p 22)

A bomb planted by Shining Path terrorists at the main door of Los Augustinos District City Hall exploded on 6 January causing heavy damage to the building but no casualties. (Lima EXPRESO in Spanish 7 Jan 91 p A10)

Shining Path distributed notes on 6 January in Huamanga denying participation in the murder of former Huamanga Mayor Leonor Zamora and former neighborhood leader Octavio Espinoza Palomino. Terrorist attacks have intensified in Huamanga, where a peasant patrol member was shot to death and another person was seriously injured on 6 January. On 5 January, unknown individuals hurled a bomb, injuring a minor. Later that day, military personnel detonated a grenade, injuring a soldier and three civilians. (Lima EXPRESO in Spanish 7 Jan 91 p A11)

Four subversives died and several civilians were wounded in a clash between General Police personnel and Shining Path terrorists in El Muyo-Matara, San Marcos Province. Police seized weapons and explosives. (Lima LA REPUBLICA in Spanish 8 Jan 91 p 23)

Peasant Defense Patrol members from Upper and Lower Tulumayo killed five Shining Path terrorists and seized rifles, a large quantity of dynamite, and terrorist propaganda during a clash with 30 terrorists who kidnapped and murdered 12 peasants from Itna and San Isidro villages, Uchubamba District. (Lima EXPRESO in Spanish 9 Jan 91 p A14)

Daily Notes Need for New Information System

PY0901000792 Lima EXPRESO in Spanish 2 Jan 92 p A18

[Editorial: "Information is the Idea"]

[Excerpts] In two successive news conferences on 29 and 30 December, President Fujimori announced and reiterated that the new Peruvian interlocutor—the counterpart of Bob Martinez—for the antinarcotics agreement is Hernando De Soto. Hoever, his appointment as head of the new Institute for Alternative Development (Idea) [Instituto Para el Desarrollo Alternativo], which is included in the agreement, has not been made official.

In an exclusive interview with EXPRESO, Hernando De Soto said that he thinks he would be more useful as the president's personal representative—or even as the ILD [Institute for Freedom and Democracy] president—rather than as the Idea chairman. Is this true? Well, it depends.

After examining the matter closely it can be seen that there is logic behind De Soto's reasoning: The U.S. interlocutor, the "Czar" Bob Martinez, is in charge of both the police and the other forces in U.S. antidrug strategy. He will demand information on police and military activities carried out in Peru, and we will have to provide him with answers. De Soto adds that President Fujimori has always separated military-police activities from the alternative development program and that he (De Soto) has never had access to military-police information.

It is obvious that De Soto believes that whoever is appointed as Idea chairman should be in charge of handling these matters, like his U.S. counterpart, or at least have ample access to all pertinent information and participate in the decisionmaking process regarding antidrug police and military activities. [passage omitted]

It is also obvious that De Soto believes it is essential for the new interlocutor and the Idea chairman to have access to this information. The president however, fears the prospect of a civilian meddling in military jurisdictions and attributions which, as is well-known, are zealously guarded by the Armed Forces—at times excessively.

However, both viewpoints may be partly right. Cooperation efforts between the military and the political apparatus have made tremendous progress in the antisubversive struggle at the local level through the interaction of the peasant defense patrols and military patrols, and recently a public debate has been launched on a new definition for the political-military command at the regional level. However, this has not spread to the central government, to the leader and the brain behind the antidrug and the antisubversive strategy (which is increasingly becoming one and the same thing). That is why the people have adopted a zealous and fanatic attitude regarding the issue. But the schizophrenia is more apparent than real, and it is absolutely vital for the country to overcome such an attitude and for people to begin to trust one another.

A new focus is needed regarding this pseudocontradiction. If the functions are carefully examined, it becomes clear that while we have traditionally seen only two functions of political decision and enforcement, there are actually three: The missing function is the design of a strategic information system. This element has so far been left out of our planning, despite the fact that the Gulf war revealed this as the military advance of the decade. This is the function of Idea.

Willingness and action rely on knowledge, or they fail; just as honor and work do not succeed without technology. To plan the strategic design of the information system is the national responsibility of the entity that carries the honorable name Idea. To execute them, on the other hand, is the responsibility of the Armed Forces. Political decisions, in the end, are the exclusive job and responsibility of the president.

Venezuela

Visiting Libyan Minister on Oil Production

PA1401200292 Madrid EFE in Spanish 1725 GMT 14 Jan 92

[Text] Caracas, 14 Jan (EFE)—Libya will follow Venezuela's example and decrease its oil production by 30,000 barrels per day [BPD], Libyan Petroleum Minister 'Abdallah Salim al-Badri announced 14 January in Caracas.

Venezuela announced on 10 January that it will decrease its oil production by 50,000 BPD in an attempt to stop the price drop in the oil market.

The Libyan minister, who has been on an official visit to Venezuela since 13 January, said at a news conference that the Caracas decision is a step "in the right direction." He added that other OPEC members must adjust their current production levels.

Venezuela and Libya are members of OPEC, which is currently producing 24.5 million BPD—1 million barrels above the quota that was established for the first quarter of this year.

Libya produces 1.55 million barrels of crude oil. The announced reduction represents 1.9 percent of its total production.

Al-Badri said the measure to reduce his country's oil production will be implemented in the next four days and is a short-term decision.

He added that in the medium-term, the OPEC countries must take specific measures to stop oil prices from dropping on the international market.

The Libyan official said that at the next OPEC meeting, scheduled to be held in Geneva on 12 February, the ministers must find a way to return to the quota system.

According to Al-Badri, if the OPEC meeting fails to find a means to reduce production, the logical consequence will be another price drop.

OPEC ended 1991 with a price of $18.65 per barrel of oil, more than $2 below the $21-mark, the goal set for the first quarter of 1992.

The economic recession that is adversely affecting the United States, a moderate winter in that country and in Europe, and the failure of predictions of a deep crisis in the former USSR's oil industry are the factors some experts describe as being responsible for the drop in prices.

Sectors from the Venezuelan oil industry said that OPEC's excess production and commitments made by Saudi Arabia to the United States following the war with Iraq are the primary reasons behind the drop in prices.

The Libyan minister refused to answer journalists when they asked if he believes the U.S. military presence in the Persian Gulf has become a mechanism for pressuring producers in the region and if the United States has symbolically become OPEC's 14th member.

Al-Badri said, "Only 13 members attend OPEC meetings." He said that Saudi Arabia must answer that question.